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CONTENTS

THEATER FORCES

FEDERAL REPUBLIC OF GERMANY

State Secretary on Security, Disarmament Policy
(Klaus Dieter Leister; TRUPPENPRAXIS, Jul 82) 1

NETHERLANDS

Van Agt Calls for Cruise Missile Decision in 1983
(NRC HANDELSBLAD, 5, 6 Aug 82) 10

Decision on Cruise Missiles in 1983
Vital Matter, Editorial

TERRORISM

SPAIN

ETA-PM's Need For Cash Seen Responsible for Renewed Activity
(Federico Castano; EL SOCIALISTA, 14-20 Jul 82) 13

ENERGY ECONOMICS

GREECE

Briefs
Katakolo Oil Not Exploitable 16
Ionian Sea Exploration Planned 16

SWITZERLAND

Official on Measures to Reduce Energy Dependence
(Hans L. Schmid; VDI NACHRICHTEN, 4 Jun 82) 17

ECONOMIC

FEDERAL REPUBLIC OF GERMANY

Economic Slowdown Produces Higher Unemployment, Deficits
(DER SPIEGEL, 9 Aug 82) 20

GREECE

Economic Recovery Seen Not in Immediate Future
(BUSINESS & FINANCE, 31 Jul 82) 23

Briefs
Balance of Trade Deficit Cut 26
April Balance of Payments 26
Mining Company Takeover 26

ITALY

Chamber Industry Commission Plan for Industrial Renewal
(L'ESPRESSO, 8 Aug 82) 27

TURKEY

Scope of Turkish Construction Abroad Surveyed
(Saadet Kuyumcu; MIDDLE EAST REVIEW, Jul 82) 30

POLITICAL

FEDERAL REPUBLIC OF GERMANY

SPD's Boerner on Chances in Hesse Election
(Holger Boerner Interview; DER SPIEGEL, 16 Aug 82) 34

ITALY

PCI-PSI Competition To Win Middle-Class Confidence
(Renzo Di Rienzi; L'ESPRESSO, 8 Aug 82) 44

Growing Importance of Middle Class, by Renzo Di Rienzi
Socialists Woo Professionals, by Guido Quaranta

SPAIN

Fraga Confident of Picking up Pieces After PSOE Failure
(Manuel Fraga Iribarne Interview; CROMOS, 20 Jul 82)... 49

Fraga on Falklands Conflict, EC Entry
(Manuel Fraga Iribarne Interview; CONVICCION
26 Jul 82) 61

Fraga Reveals Personal Traits, Political Strategy
(Manuel Fraga Interview; YA DOMINICAL, 25 Jul 82) 65

Positions Taken at Sixth PSUC Congress Summarized
(Manuel Torres; MUNDO OBRERO, 26 Mar-1Apr 82) 73

Carrillo Presents Rationale for Elections in 1983
(Santiago Carrillo; EL PAIS, 11 Jul 82) 81

GENERAL

ITALY

Demographic Trends in Central, Southern Italy
(Carmelo Fromica; NORD E SUD, Apr-Jun 82) 84

STATE SECRETARY ON SECURITY, DISARMAMENT POLICY

Bonn TRUPPENPRAXIS in German Jul 82 pp 513-517

[Article by Dr Klaus Dieter Leister: "Security and Arms Policy"]

[Text] At the 52d meeting of the German Society for Defense Technology in Bonn-Bad Godesberg, State Secretary Dr Leister read a paper on "Current Issues in Security and Arms Policy." The state secretary, who is responsible for arms policy in the defense ministry, did not deal with superficial issues such as appear in newspaper headlines every day telling about who favors which missile and of what political significance this or that issue may be for our country. Instead, Dr Leister concentrated on those issues which are of current concern in the field of security policy and which have a bearing on long-term arms policy.

The Basis of Security Policy

Any discussion dealing with current problems of security policy will be superficial and, on the whole, counter-productive, if it does not take account of long-term security policies of the FRG. The parameters set forth in the government declaration of 1969 are still valid today:

/"It makes no difference which of the two aspects of security policy we look at—whether we are talking about our most serious and enduring efforts to achieve simultaneous and equivalent arms limitation and arms control or about guaranteeing an adequate defense posture for the FRG, the government considers both to be policies of balance and of safeguarding peace. In like manner, it considers both aspects to be determinants of our country's external security as a function of the alliance of which we are a part and as such contribute to the balance of power between East and West."/

At a cabinet meeting on 31 March of this year, the government underscored this policy, stating:

/"The government of the FRG reaffirms its support for the security policy of the alliance. This policy combines deterrent strategy and defense capability with arms control and disarmament."/

This blend of defense capability and the readiness to reduce political and military tensions between East and West has been NATO policy since 1967. It aims to achieve progress in arms control and mutual arms limitation as well as lasting East-West relations with the help of which fundamental political problems may be solved.

The chancellor has characterized FRG peace policy as being a "policy of active readiness to negotiate." In doing so, he defined the basics of the prevention of war. The FRG government rejects the idea of striving for supremacy because it leads to a spiraling arms race and is a threat to peace. But it does not subscribe to pacifism based on moral considerations or /unilateral disarmament/ because it in turn leads to the possibility of political blackmail. There is only one goal for our security policy to strive for and that is the "policy of the balance of military power and equal security for both sides."

It is a policy of being in a position to negotiate because it provides evidence of one's own defense capabilities while respecting the security requirements of the other side.

This applies both to the FRG and to the alliance as a whole. But the Western alliance will only then be in a position to negotiate, if it has the support of the common will of all its members.

State of the Alliance

In an alliance of free peoples, there will always be different opinions on individual issues—the peace of the graveyard and enforced unanimity are hallmarks of constraint.

Freedom makes itself felt in free speech but not in violent strife.

Our differing interests notwithstanding, we must not lose sight of our common heritage and the common values of Western civilization. This heritage, in the words of the American ambassador to Bonn, is the mortar which holds all the building blocks—money, technology and weapons—of the Atlantic edifice together.

Over the past few months, the Soviet Union has repeatedly tried to weaken the cohesive strength of this mortar. The aim is to pry individual members of the alliance—the FRG above all—out of the Atlantic edifice. Our special situation as a divided country and our resulting interest in the resumption of the dialogue between the big powers were to provide the lever. The chancellor himself, in rejecting these efforts in no uncertain terms, made the following statement as part of his declaration on security policy and peace policy:

/"We can do this,"/ he said, referring to the active contribution to detente, /"because we are firmly anchored in the Western camp. The East is aware of this as are our friends and allies. They rely on us—and they have every reason to do so."/

Our friends and allies can also depend on us to share the burdens of the alliance. Jointly with our partners, we decided on the modernization program and we are jointly answering for it. We will carry out the modernization part of the dual resolution jointly with Great Britain, Italy, Belgium and the Netherlands, if the negotiations between the two superpowers in Geneva do not bring about a new situation. We are in favor of the zero option; but this is realizable only if the Soviet Union, too, accepts it.

Bundeswehr Retread Program

Our military contribution to defense is an important aspect of NATO deterrent strategy. All members of the alliance appreciate the high level of combat readiness of our Bundeswehr and expect of us that we will maintain it in the future.

In terms of materiel, we are maintaining the Bundeswehr's combat readiness for the future by carrying out the so-called retread program, the replacement of first-generation weapons by weapons systems which will be with us until the turn of the century. We will have to make investments, if we are to match our weapon capability to that of the other side. Unfortunately, the quantum jump in technology needed to achieve this end is accompanied by a substantial increase in cost. One Leopard 2 as against one Leopard 1 represents an increase from DM 1.1 million to DM 4.2 million. One MRCA Tornado costs DM 73 million now whereas the Starfighters each cost only DM 7.2 million.

We began the retread program in the late sixties and early seventies when we expected sharp increases in the defense program each year—at a time when the planners were permitted planning overruns of 20 percent in order to guarantee that all available funds were spent.

At that time, the big weapons systems with their periphery, their logistics and their ammunition were planned. Guidance and information systems were added to them as a matter of course. There was a core plan for these big weapons systems which gave promise of great combat value only if this other equipment was added, however.

Budget Squeeze

At the end of the seventies, when planning overruns were no longer possible in view of low growth rates and budgets had to be strictly adhered to, a transition problem emerged: a planning backlog that could not be funded and which we tried to overcome in subsequent years.

The big arms projects—which the parliamentary committees had worked out—were combined under the core plan and have been perpetuated in each year's budget since. In 1981, for example, total investments for military procurement amounted to DM 10.6 billion. Of this sum, DM 7.3 billion were earmarked for these major projects.

Since we could not intervene for treaty reasons and on economic grounds, we simply had to save on the periphery. The result was that the entire planning process was in danger of becoming unbalanced. Since there was no way of juggling the funds, it became impossible to establish a harmonious relationship between realization of plans and availability of financial means.

Overcoming the Budget Squeeze

For this reason, Minister Dr Apel scheduled a closed-door meeting in March 1981 which resulted in a first round of cuts in medium-term materiel procurement plans. The meeting made it clear once again that military planning follows in the train of conceptual premises and that the arms program cannot be viewed in isolation but only in connection with other planning categories such as personnel, equipment maintenance and operation, infrastructure, research and development, organization and cost.

The new version of the planning ordinance and the appointment of a commission to deal with long-term Bundeswehr planning were the logical consequences of the closed-door meeting, I would say. The same goes for the studies conducted by Manfred Ehmke, the economic adviser to the defense minister, on military planning, production and arms control.

Defense Budget

Let me now turn to the defense defense budget. In the recent past, the objection has been raised more and more frequently that Bundeswehr planning is conducted solely with an eye to budgetary considerations while neglecting the military threat aspect of the situation. I would call this an artificial construction. Bundeswehr planning always had to and still has to take economic conditions—and particularly financial possibilities—into consideration.

In the NATO countries, demands for defense budgets—to maintain approximate balance between East and West as a prerequisite to peace—will always be greater than the sums that can be made available from a purely economic and fiscal point of view. This also applies to 1981 and 1982. Still—in spite of economic problems, the 1981 defense budget rose by 3.4 percent in real terms. The nominal increase for 1982 is expected to be 5.2 percent; what it will be in real terms will not be known until the end of the year.

The increase in the 1982 defense budget by a nominal 5.2 percent to DM 44.3 billion—which is DM 2.2 billion more than in 1981—must be viewed in combination with the 2.8 percent rise of the total 1982 budget—including DM 26.8 billion in new credits. The entire economy had to tighten its belt; the defense budget was no exception. But the 5.2 percent rise as against last year shows that the government assigns the necessary weight to defense within the scheme of total expenditures.

Through wise use of the tight DM 44.3 billion budget, the Bundeswehr will continue meeting its commitments though it will be more difficult and there will be some problem areas such as material maintenance and research and development. Modernization of armed forces equipment—for which a total of DM 11.3 billion has been budgeted for 1982, an increase of DM 640 million or 5.9 percent as against 1981—can continue. The high level of training and the high combat strength of the Bundeswehr will also be maintained.

In view of limited personnel and funds to be available to the Bundeswehr over the next few years, great efforts will have to be made to maintain the present high level of the Bundeswehr. Even now, initial steps must be taken to work out a realistic strategy for long-term Bundeswehr planning.

Planning Practices Until Now

Let me return to armaments and arms planning. I already mentioned the jump in cost as between two generations of weapons which has led to the so-called alteration effect in connection with firm cost estimates. But the question of how the jump in costs occured has not yet been answered.

We cannot but assume that when we planned the retread program—focusing on the early seventies—our conceptual ideas were strongly influenced by follow-up thinking:

An aircraft had to be replaced by an aircraft; a ship by a ship; a tank by a tank. Task-oriented, alternative thinking and the readiness to work out military service-transcending solutions were not as pronounced then as they are now under the pressure of changed conditions.

In addition, the desire to make the best possible equipment available to the Bundeswehr caused the individual weapons systems to become more and more complicated and expensive. New technologies were employed primarily to achieve higher-performance innovation and when high technology was introduced the cost factor did not matter too much.

This was the fault both of increased tactical demands on the part of the military users and the professional ambition of engineers in the ordnance department, in the military technology agency as well as of procurement and industry itself. We might add that there were sufficient funds for research and development which made this possible.

New Directions in Planning

Thus, as we moved from the seventies to the eighties, we had a difficult time paying heed to the signs of the times. Strong growth rates of single plan 14 were by then a thing of the past in view of the slowdown in economic growth, the unfavorable competitive position of the economy, rising unemployment and the fight against the national debt.

The good times of the past provided us with a dual legacy—we were given to thinking in terms of our demands and what was worse in terms of military planning that was at least in part untouchable. This has to be adjusted to present conditions.

Basically, our plan must be to continue budgeting for the retread program we initiated in the early seventies and thought we could fund so that the combat readiness of the Bundeswehr is maintained and the way to new structures remains open. To achieve this end, we must exhaust all possible ways leading to a reduction in the cost of materiel development and procurement as well as a reduction in personnel according to training qualification and numbers.

Planners must develop conceptual goals based on present equipment levels and available flexibility.

The new version of the planning ordinance was a first step in this direction: the inspector general is charged with developing a realistic or resource-oriented Bundeswehr structure for the future. Military service-transcending formulas are to play an important part in this endeavor. The inspector general is to supervise the faithful execution of projects and to inform his superiors of any deviations from the plan. Thus, we have come full circle from the initial planning stage to control of the plan's execution.

But that is not all. There must also be some leverage below the initial planning level, which is to say that those responsible for planning in the services—the services inspectors general—must take the necessary steps, too. The long-term commission has worked out various guidances and principles that have a bearing on this.

In placing tactical demands on our equipment, we must define the military requirements derived from the threat to our security in such a manner that it becomes fully clear what the military significance of the fulfillment of a particular task is.

Tactical and technical demands are to be weighted, limited and defined accordingly.

In our military demands on new equipment, we must look at operational and technical possibilities for solution. Traditional structures and traditional operational concepts must not influence our decision-making process in the sense of follow-up thinking. We must take alternative arms technology into consideration.

The development of weapons systems must depend on weapon effect on target and we must examine whether the present second generation of weapons cannot be turned into the third generation by the end of the century through enhanced combat effectiveness. We must concentrate on weapon effect on target or in

other words on optimization of overall systems through enhancement of firepower at the expense of further development of carriers. The development of new launch vehicles or whole systems in the nineties can only be justified, if that turns out to be the more cost-effective way of doing things.

New technologies must be applied to performance-enhancing innovation and particularly to improving utilization conditions. Military planning must take the total life cycle of arms equipment into consideration. This includes easy operation and maintenance, growth potential and modular concepts. Rising cost where specific military applications of high technology are involved must be strictly avoided; civilian equipment is to be used wherever the defense requirements of the Bundeswehr allow it.

In the planning process, we must avoid commiting ourselves prematurely and see to it that the development cycle of military equipment is more sharply divided into specific phases and the design status is determined at an early stage. This is the only way of eliminating risk in the development cycle as well as costly modifications.

What I am trying to say is that keeping costs down is a central aspect of future planning.

The demand for setting priorities, limits and accents as well as for thinking in terms of systems is primarily addressed to the military users and the suppliers inside the organization. In those instances, however, where the limitations and accents of these demands must be transformed into actual changes in the development cycle of military equipment, we will have to call on industry support.

It makes sense for engineers working on projects to look for solutions which conform both to the requirements of up-to-date technology and the need to satisfy a specific military purpose. But industry and industry management do have a responsibility toward the state and must see to it that the combination of military demands and technical possibilities does not result in a product that cannot be paid for. In producing for the civilian economy where strong competition is the order of the day, this approach is a matter of course.

Making Industry a Part of the Process

There is a tried and true way of getting industry to share overall national responsibility and that is by having it participate in the research and development costs of military equipment. If the funds expended by the firms do not amortize unless development and procurement of their product do not go beyond original cost estimates, this will contribute substantially to keeping costs down.

But we are not calling on industry to make a stronger financial commitment for this reason alone.

In the past, arms research and development have complemented and augmented civilian technology programs. It was the aircraft and space industry which benefited from this most of all. There is evidence of this in the successes achieved in helicopter and vertical takeoff technology as well as in the work on the Airbus. But the rest of industry has profited from it as well and has attained a place of renown in the arms field.

In line with the principle of reciprocity, we think we now have a right to expect—in these times of tight budgets—that industry spend more of its own money in view of our advance payments. On the other hand, of course, we will not limit ourselves to making demands on others.

Research and Technology

We of the defense ministry are about to undertake two programs—the studies of the long-term commission underscore the need for them. First, we will try to increase medium-term R & D budgets for military technology once more. Secondly, we will work out a research and technology program.

This program will give us a long-range, systematic start on overseeing research and technology for the future in the ministry itself and will also enable us to undertake capability planning jointly with industry on the outside.

There will surely be a need for high-performance domestic arms capability in the future so that we will be able to provide our armed forces with weapons systems corresponding to the state of the art and to support their materials management in an adequate manner. The prerequisite for this will be competitiveness on the world market in the fields listed under the technology program and good judgment in other areas.

We will succeed only if industry—complementing our own efforts—expends more of its funds to finance its special arms technology capabilities and takes more of a risk in compliance with the laws of the free market.

Collaboration

For arms collaboration within the alliance, we must also engage in a research and technology program. No nation—with the exception of the United States—is in a position today to cover the entire spectrum of the natural sciences and technology with national efforts alone or to develop large-scale weapons systems by itself.

Joint programs agreed upon by the partners in the alliance enable us to concentrate on different aspects and to save money through standardization and by turning out larger quantities of a given item.

The United States example shows that an individual nation's autarky in arms production is not necessarily an advantage for all members of an alliance. Since it does not lend itself to collaboration, it can even have a destabilizing effect on the alliance and drive costs up.

The 1982 U.S. budget which endangers the future procurement of non-military vehicles and military equipment in Europe turns the transatlantic two-way street into a one-way street. It compromises agreements on compensation—as in the case of AWACS—and continues adverse decisions on collaboration—as in the case of Roland—in a rather unglorious manner. All of this is counter-productive in the solution of our armament problems and has a detrimental effect on alliance solidarity. I hope the Congress will rescind these measures which weaken transatlantic collaboration in the near future.

Balance and Defense Capability

We have now come full circle in our review of arms policy to security policy. I started out by saying and am now prepared to reiterate in conclusion that the West can only continue to exist, if it musters /the/ inner strength and /the/ cohesiveness which maintain the balance vis-a-vis the Soviet Union. A crucial factor will be to keep the alliance with the United States intact; to maintain solidarity with our West European partners, and to impart new political impulses to the NATO alliance.

In arms policy, we will have to work on modernizing all the services of the Bundeswehr despite our overall economic problems in order to maintain combat readiness and help achieve the difficult transition from the eighties to the nineties.

With respect to armaments, that is what the long-term commission is working on.

Their findings will not provide us with a once-and-for-all design for the Bundeswehr of the nineties because that would cast in concrete at a far too early stage of all the long-term uncertainties. Therefore, no firm decisions on arms projects are to be expected but rather practical recommendations for long-term decisions on armaments and short and medium-term proposals on how to realize them. But the commission will submit concrete recommendations for the immediate future on how to cope with the urgent priority issue of personnel which will be a major Bundeswehr problem starting in 1986. I have based my presentation on them.

I would appeal to you who share responsibility for arms technology to help us on our difficult way toward the future. Assist us in our efforts to keep costs down. Do not place excessive demands on the state but apply your innovative abilities to reducing cost pressures.

Together we must and we will master the tasks the future holds in store for us.

9478
CSO: 3103/644

VAN AGT CALLS FOR CRUISE MISSILE DECISION IN 1983

Decision on Cruise Missiles in 1983

Rotterdam NRC HANDELSBLAD in Dutch 5 Aug 82 p 1

[Text] The Hague, 5 Aug--Prime Minister and CDA standard bearer Van Agt feels that the Second Chamber will have to reach a decision about the stationing of 48 cruise missiles on Dutch territory in 1983.

In this week's issue of the Christian Democratic party paper CDACTUEEL, Van Agt writes that the Netherlands cannot permit itself to postpone the decision for another undetermined number of years.

According to the prime minister, the cabinet formed after the elections must make a decision after discussions with the allies "without injury to the Netherlands' own responsibility and autonomy."

In his article, Van Agt repeats his proposal formulated in the Egyptian capital of Cairo that the cabinet must accept a possible unfavorable decision by a majority of the Second Chamber. The stationing of the cruise missiles must, indeed, be discussed in the formation of the cabinet, but the cabinet "submits to whatever decision is reached by a majority of the people's representatives," Van Agt said.

The CDA leader expressly denies that it is his intention to establish a blockade in this way against the PvdA (Labor Party), which categorically rejects a positive decision about the stationing of cruise missiles.

Van Agt feels that the stated intentions of CDA Second Chamber candidates, such as Minister De Boer and Chamber members S. Faber and J.N. Scholten, not to go along with such a decision, are "understandable and respectable." Minister De Koning, second on the CDA list for the coming elections, has already said that CDA members who had insurmountable difficulties with such deployment had simply better not try for seats in the Second Chamber, as their positions would be in conflict with the CDA's election platform, in which the deployment of the cruise missiles is stated to be partially dependent on the results of the arms control talks in Geneva.

J.N. Scholten (CDA) is particularly happy with Van Agt's latest statement. He said this morning that he had the impression that Van Agt has backed off a bit from his earlier statements that the deployment must be settled by the time of the cabinet formation. According to Scholten, the mentioning of a date by which a decision must be reached is not in agreement with the CDA's campaign platform.

The D'66's [Democrats of 1966] delegation leader, L.J. Brinkhorst, considers it improper that the coming cabinet not associate any consequences with a possible negative vote on the deployment in the Chamber. Former minister Van Dam (PvdA) said this morning on the radio that the question of deployment could not be settled by making a "free question" [a motion in the Second Chamber wherein no vote of confidence is involved] of it.

It is not possible for the PvdA to remain seated in a cabinet which decides in favor of deployment, according to Van Dam.

Vital Matter

Rotterdam NRC HANDELSBLAD in Dutch 6 Aug 82 p 7

[Editorial comments on Van Agt's statements]

[Text] Van Agt did not raise many new points on defense policy in the Christian Democratic news weekly CDACTUEEL. His more detailed statement on the remarks made in Cairo further refines his proposal to designate the question of the deployment of cruise missiles in the Netherlands as "no reason for a cabinet crisis," during the coming coalition negotiations. According to his proposal, the new cabinet would submit to the decision of the majority of the Second Chamber on the deployment.

Van Agt writes in his article that his proposal is an attempt to provide maneuvering room for the PvdA [Labor Party], which has firmly adopted the position that under no circumstances may these cruise missiles be deployed on Dutch territory. But naturally he, too, knows full well that the PvdA (Den Uyl said it as early as July, Marcel Van Dam repeated it yesterday) cannot go along with this. Indeed, the PvdA position maintains that the party cannot ever share in the responsibility for a decision to station the missiles. A cabinet which reached such a decision, then, could not contain (coresponsible) PvdA ministers.

Thus, the fact that Van Agt is holding to his proposal launched early in July during his visit to Cairo must have different grounds than "enriching the possibilities" that the PvdA could be brought to swallow this issue during possible coalition negotiations. The CDA standard bearer is clearly trying to detract somewhat from the impression that he is steering squarely towards a new coalition with the VVD [People's Party for Freedom and Democracy].

Furthermore, he has seized the opportunity to show himself in a benign light by stating that he understands and respects his party comrades', Minister De Boer's and Second Chamber members Scholten's and Faber's, categorical no to the stationing of cruise missiles. That does create maneuvering space, but rather for the many dissidents in his own party.

In this way, Van Agt is setting himself apart from the number two on the CDA list of candidates, Minister De Koning, who recently said that CDA members who had insurmountable difficulties with the possible deployment had just as well not take up CDA seats in the Second Chamber, because their position conflicts with the CDA program [campaign platform].

That is a pity. Anyone who remembers the not particularly tasty situation with the CDA loyalists [a group of CDA Chamber members who remained "loyal" to their former coalition partners, the PvdA, during the CDA-VVD coalition] cannot do other than agree with De Koning.

With his proposal to allow the Second Chamber to reach its own decision about the stationing of cruise missiles, Van Agt is also setting himself apart from his new friend, Helmut Schmidt, the chancellor of the Federal Republic of Germany. In 1979, Schmidt tied his personal political existence to maintaining the NATO double resolution.

Even though Van Agt, too, sounds like a supporter of both facets of the double resolution (negotiations with the Soviet Union about nuclear weapons control, but deploying intermediate range nuclear weapons should those negotiations not be productive), he clearly does not want to risk his own political throat on the issue.

That is noteworthy, because Van Agt also shows that he is aware of the international dimensions of the problem, something which is often lacking in Dutch discussions of foreign policy. Van Agt mentioned 1983 as a year in which a cabinet decision must be reached on the deployment, quite emphatically in connection with Dutch credibility with respect to the Atlantic allies and he termed it "unwise" if the Netherlands were to go its own way and oppose the decision of its allies.

Even if we disregard the strategic necessity of deploying the cruise missiles (in his article, Van Agt does not go nearly far enough into this matter), the Netherlands position within the alliance remains the crucial point in the question of deployment. Only if the Netherlands functions credibly within NATO can there be any talk of influencing the external and internal behavior of the alliance, and this includes its position in negotiations with the Soviet Union.

Really, we should expect that Van Agt would not wish to lead a cabinet which was forced to accept the responsibility by the Second Chamber for a decision for the Netherlands innocently to wash its hands of the nuclear question, no matter what the allies decide and no matter what the Soviet Union does, and that he would also not want to be a part of it as minister of foreign affairs.

6940
CSO: 3105/203

ETA-PM'S NEED FOR CASH SEEN RESPONSIBLE FOR RENEWED ACTIVITY

Madrid EL SOCIALISTA in Spanish 14-20 Jul 82 pp 26-28

[Article by Federico Castano]

[Text] The latest kidnappings which have taken place in the Basque Country fit into a carefully planned campaign of the 8th ETA (political-military) Assembly for collecting funds by extortion. This branch of ETA is being closely watched by the police since there are clear indications that several of its commandos are entirely responsible for the kidnapping of Mirentxu Elosegui, daughter of the owner of the Boinas Elosegui firm, who was released 15 days ago after ransom was paid, and of Rafael Abaitua who has been held capitve for more than a week.

According to information provided EL SOCIALISTA by reliable sources, the 8th ETA (PM) Assembly is now carrying out a campaign to collect funds on the one hand and on the other to obtain publicity by means of its actions. The treasury of the "political-military" group has not been overflowing with money since the split at the 7th ETA (PM) Assembly, a meeting of the highest level of activists of this branch--a total of about 110--held in February 1982 in a country house in southern France.

After some very intense debates there was a peaceful and friendly split in the ranks of the "political-military" group. Some opted for the new philosophy expounded by Euskadiko Ezkerra [Basque Left] after the attempted coup on 23 February and to continue the truce. Others decided to return to their machine-guns and to separate themselves from their former comrades-in-arms. After the agreement, there was a division of confidential documents, explosives and arms. The advocates of renewing human bloodshed and blackmail lacked only one thing: money.

Three Sources of Financing

To begin their work with at least a minimum amount of security, the activists who at present make up the 8th ETA (PM) Assembly chose three avenues: kidnappings, the "revolutionary tax" and the holding up of banks in the Basque region.

The method which has been most fruitful up to now has been that of economic blackmail of Basque industrialists although the ETA military branch continues strongest in this means of financing. San Juan de Luz continues to be the usual meeting place of the ETA blackmailers and industrialists who deliver briefcases full of money. It is the most secure method for obtaining funds rapidly and, besides, it is the cheapest.

Concerning the kidnappings, the "political-military" group who broke the truce in February 1982 has been successful in the cases of the odontologist Luis Manuel Allende, which was resolved a month ago by the payment of the ransom, that of one of his professional colleagues, that of Mirentxu Elosegui and that of Rafael Abaitua. It does not matter that they did not receive the amount they wanted in each instance. In almost all the cases, the victims' relatives have made known to the terrorists the difficulties they face in delivering the amount demanded and ETA has "granted" them a considerable reduction. This has been so, in the opinion of police experts, because of the urgent need the "political-military" group has for the money since an interruption in their activities would detract from their role as social activists.

Bank holdups have also been undertaken more than once by the "political-military" group. Clues left behind during one of these actions against a branch of a Vizcaya bank opened the way for the police to later break up the "Bizcargui" commando, consisting of six persons, who planned to kidnap two Bilbao industrialists.

The Police Effort

For the present, the attempt by the "political-military" group to set up a strong infrastructure in Madrid has been aborted by the police. The capture 2 months ago of the ETA commando at Alcala de Henares led to the failure of the most serious attempt along those lines by the 8th ETA (PM) Assembly. The police also foiled the execution of what would have been the first large scale attack by this terrorist group, an attack which was planned against a well-known lieutenant general of the Ground Forces.

An outstanding member of this ETA commando, Luis Campoamor Olivares, 30 years old, born in the village of Doiras, Asturias, was wounded by a civil guard 2 weeks ago while he was being transported along with eight other presumed terrorists to the Soria jail. Information collected by EL SOCIALISTA indicates that Luis Campoamor began his criminal career in 1978, and he was imprisoned for the first time in April 1978. After being released on parole, he was imprisoned once again in September 1978 when he was accused, as at the time of his first imprisonment, of theft and use of a stolen vehicle.

After this latter capture, Luis Campoamor decided to escape from the prison in which he was being held and the Mieres court ordered that he be sought and captured. From this time on, this criminal began to contact members of the ETA, most of whom belong to the political-military branch, in the belief that they might help him remain in clandestinity. Luis Campoamor escaped from prison in February 1979 and he enjoyed 3 long years of freedom until he was once again arrested in May 1982, accused of being a member of an intelligence commando of the 8th ETA (PM) Assembly.

Two other presumed ETA members who were on the Civil Guard van, which had an accident while transporting them to Soria and Nanclares de Oca, had careers similar to Campoamor's. They are Jacinto Lastra, born in Bilbao, being tried by the Central Court No 1, accused of collaborating with ETA (PM) and Jesus Maria Lopetegui, transferred to the Carabanchel prison of Madrid in June 1982, a worker by profession. Strangely enough, both have records of robberies according to the files of the General Directorate of Penal Institutions.

Although the scant activity of the "political-military" group up to a few months ago has made the police's job more difficult, experts in the anti-terrorist struggle have a great deal of information on the movements and current situation of this branch of ETA. The information comes from French authorities--who during recent months have had much smoother communications with the Spanish police--and from investigations made in the north by State Security forces.

Reports received by the police state that the activists of the 8th ETA (PM) Assembly are about 80 in number. They are grouped in columns which are geographically distributed among the three Basque provinces and Navarra. There are a total of about 20 commandos which share the operational work--action commandos--and intelligence commandos with an average of four members apiece.

Guipuzcoa is the province in which there are now the most 8th ETA (PM) Assembly members. There are also confirmed reports of activities of some of these commandos in the area of the cooperatives, in Hermani, on the coast, near Zumaya and also in the area of San Sebastian itself. The presence of three columns of this branch of ETA has also been discovered in Vizcaya where at the present time more than five ETA (PM) commandos may be operating along the left bank of the estuary and in Durango, Mondragon and Lasarte.

9204
CSO: 3110/197

BRIEFS

KATAKOLO OIL NOT EXPLOITABLE--The Energy Ministry Saturday confirmed the existence of a small offshore oil deposit near Katakolo in western Greece but said it was not worth exploiting at present. A Ministry spokesman said experts estimated the size of the strike at around one million barrels of good-quality crude and were optimistic of making bigger finds in the Ionian Sea. Two more drillings are scheduled off the port of Kyllini and Cephalonia island, and a wide-ranging oil exploration program for north-western Greece is under preparation at a cost of more than one billion drachmas (13.8 million dollars) the spokesman said. Greece covers about 12 percent of its annual oil needs of nine million tons through offshore wells in the northern Aegean, which went into production last year. [Text] [Athens ATHENS NEWS in English 8-9 Aug 82 p 1]

IONIAN SEA EXPLORATION PLANNED--It has been announced that by the end of 1983, [Public Petroleum Corporation (PPC)] will launch a new oil prospecting programme on and off the coast of Western Greece, and that the programme has already been submitted to the European Economic Community (EEC) which will finance the project. The new programme provides for an oil drilling by Italy's AGIP on Paxoi Island, near Corfu, at least two more drillings by PPC in the Ionian Sea, and extensive geological and geophysical prospecting throughout Western Greece and Northwest Peloponnese. [Excerpt] [Athens ATHENS NEWS in English 8-9 Aug 82 p 7]

CSO: 4600/726

OFFICIAL ON MEASURES TO REDUCE ENERGY DEPENDENCE

Duesseldorf VDI NACHRICHTEN in German 4 Jun 82 p 18

[Articly by Hans L. Schmid, scientific advisor in the Federal Office for Energy Management, Bern]

[Text] In the field of energy Switzerland belongs among the industrialized countries having the greatest dependence on foreign sources. In order to mitigate the considerable risks for future economic and social development resulting therefrom, a comprehensive, long term and flexible energy policy, based on the market mechanism and federal structure of Switzerland, is urgently needed.

In 1981 approximately 83 percent of the energy consumed by the Swiss end user originated abroad. About 70 percent of consumption was still supplied by petroleum products. Domestic energy production was mainly limited to hydroelectric power which accounts for about 70 percent of total electricity production (maximum capacity over 11,000 MW.) Twenty-eight percent of electricity production comes from nuclear energy. Four power stations with an installed capacity of about 2000 MW are in operation. Compared to other industrialized countries the shares of natural gas and coal are modest (5.5 and 3 percent respectively).

Since 1973 a clear tendency toward substitution of electricity, gas and coal for petroleum has been observed. Of all energy produced the portion accounted for by electricity increased from 15.4 to 19.2 percent, that of gas from 1.6 to 5.5 percent and that of coal from 1.9 to 3.0 percent. This development is mainly due to the increase in oil prices. The distribution network for natural gas is being continuously expanded and in recent years coal has been used increasingly in industry (for example, cement, chemicals, and paper).

The demand for energy differs from that in the Federal Republic, for example, by the significantly lower consumption, per capita (25 percent less) and per unit of GNP (36 percent less). This is due mainly to the significantly lower energy intensity of Swiss industry. In 1980 Swiss industry used 23 percent of total consumption while the FRG used 31 percent. In addition the FRG uses nearly 10 percent for nonenergy purposes, especially for raw materials in the chemical industry (in Switzerland about 1 percent). Conversely about 50 percent of total

Swiss consumption is used in the home, in professional occupations, agriculture and service industries, in the FRG only 39 percent. In Switzerland about 45 percent of total consumption is used for space heating and hot water alone.

Every aspect of energy is uncertain. Supply and demand of energy depend on numerous factors whose development cannot be reliably forecast (for example energy prices, economic growth, technical development, energy policy measures taken by local communities, cantons, and the Confederation, changes in consumer needs, and world economic conditions. Based on current energy policy, hypothetical calculations produce a broad spectrum of possible future developments according to whatever assumptions are made on future economic growth (1.5 to 2.8 percent in the 1980s, 1.25 to 2 percent in the 1990's) and on energy prices (for example, 0 to 5 percent real increase in heating oil prices). The increase in total consumption up to the year 2000 could lie between 0.5 and 2.2 percent per year, compared with 1.5 percent in the 1970's and 7.1 percent in the 1960's. The demand for petroleum products could be stabilized or even slightly lowered in the event of further petroleum price hikes and a growth rate in the GNP of 1.5 to 2 percent in the 1980's compared to 1980. This is, however, only possible with significant reduction in the demand for liquid fuels; demand for motor fuels could continue to grow. The share of petroleum in total consumption can decline in an extreme case from 69 percent today to 64 percent in 1990 and 57 percent in the year 2000. This, however, could only be done in combination with slow economic development and significant increases in oil prices. With constant real energy prices the share of petroleum in total consumption could still amount to around 70 percent in the year 2000. Under these conditions by the year 2000 the demand for energy would increase from 1980 by 55 percent and the demand for oil by 50 percent.

Supplemental energy policy measures are essential above all for a more rational use of energy and for the increased use of domestic, renewable energy sources, for a number of reasons. These include the various supply policy, socio-economic and ecological risks in our energy procurement; the lack of fossil energy reserves of our own; and the disappointing economies achieved in the use of substitutes as compared to what we have aimed for since 1973. In addition a massive increase in the share of nuclear energy, coal and natural gas is to be recommended with a view to diversifying sources of supply. Existing constitutional provisions of the Confederation are restricted mainly to energy production (including nuclear energy), pipelines and the transmission and distribution of electricity. With a view to establishing a comprehensive energy policy following extensive studies by the Federal Commission for a Total Energy Concept (GEK), the Bundesrat in 1990 proposed to the Parliament the drafting of an article in the Federal Constitution which would enable the Confederation to adopt energy conservation measures and promote research and development as well as information and training in the energy field. With such a policy it should be possible to reduce the increase in primary energy consumption to 1.5 percent per year and in generated energy by 1.2 percent by the year 2000, assuming a full employment growth in the economy of 2.1 percent per year.

Petroleum consumption would no longer continue to rise. This assumes significant conservation and substitution efforts. With development based on present policy, by the year 2000 about 18 percent (3.2 million tons) of energy would be saved and about 2 million tons of oil would be replaced by other energy sources. This is based on tripling (by comparison with 1980) the use of coal, natural gas, district heating and renewable energy (excluding hydro-electric power), an increase of hydro-electric power by about 10 percent and of nuclear energy to an installed capacity of 4300 MW in addition to quadrupling the use of thermal electric coupling.

The policy recommended by the Bundesrat is expected to contribute to the creation of a long term, more dependable, more economic and more environmentally sound Swiss energy supply. Such a policy establishes essential conditions for the assurance of economic development. It can also make a contribution to environmental protection and to international solidarity in the energy field.

9827
CSO: 3103/634

ECONOMIC SLOWDOWN PRODUCES HIGHER UNEMPLOYMENT, DEFICITS

Hamburg DER SPIEGEL in German 9 Aug 82 pp 21-22

[Article: "New Wrinkle in Economy"]

> [Text] Economic growth has again become elusive. And it looks as if there will be even more unemployed people and even higher debts.

Officially they are still in effect, Bonn's figures on future economic growth. Since last week, however, even economic optimists have come to the realization that the growth expectations are at best proof of the questionableness of forecasts.

This year the economic production by Germans was to grow by about 1 percent. For 1983 Minister of Finance Manfred Lahnstein planned on an increase of 3 percent--and accordingly higher tax revenues. Nevertheless, while Helmut Schmidt is taking a vacation on Brahmsee, the summer occupants of the chancellery are registering new gloomy figures every day. In the Ministry for Economics, Lambsdorff's high-level officials are preparing a shattering balance for their chief, who spent almost 3 weeks traveling through the United States.

Wherever the economy can be measured, the figures are revealing a further decline:

--The number of unemployed persons reached the highest July level since the existence of the FRG;

--the number of job openings reached the lowest point to date;

--industrial production in May and June fell by 2.5 percent when compared to the two preceding months;

--at the same time the demand for products was 3.5 percent below the figures for the preceding months, which were not very encouraging either;

--wholesale trade realized 6 percent less than it did only a year ago;

--machine construction, Germany's star industry, sold 3 percent less in June.

The German Economic Institute came to the realistic conclusion that "a transition from stagnation to recession is no longer completely out of the question." There is still no sign of the economic growth which has been expected for 2 years and which only recently was predicted for the coming fall.

Still, the year began on a promising note for those in charge of the economy. Labor unions were satisfied with modest wage increases which did not even make up for the devaluation in the money, interest rates began to come down. Strong orders from abroad were responsible for the fact that the FRG balance of payments was again showing surpluses.

But again it was not enough for economic growth, which according to all experiences follows an economic slowdown. Since July the interest rates are no longer declining, foreigners are ordering less, expectations of businessmen are again subdued.

Hans Tietmeyer of the Ministry for Economics is concerned with the principles involved. He recognized that in the future a normal economic development may no longer be the economic cycle that swings widely but brief ups and downs on a low level. According to Tietmeyer's graphic formula, "we are in a situation that resembles a washboard."

Accordingly the optimism of the first few months of the new year vanished and predictions have become gloomy. Because the next Bonn forecast is not due until fall when the 1983 budget will be introduced to parliament, government economists are taking cover behind the predictions of others--for instance, the Munich IFO Institute.

At the end of last week the Munich organization announced that there will not be an economic improvement this year. At best a rate of growth between 1.5 and 2 percent may be expected for 1983.

There will be unpleasant consequences, particularly on the labor market. Compared to the 1974/1975 recession, when enterprises reacted to the economic slowdown with spontaneous layoffs, this time--apparently in expectation of an upswing--companies kept most of their employees. If companies had acted in the same manner now as they did at that time, the number of people without work would already be 2.3 million instead of 1.8 million, according to the findings of the German Economic Institute.

Now mass layoffs seem unavoidable. In July the number of part-time workers was 21 percent lower than in June--now people are being dismissed.

Furthermore, even the original 1983 growth figures did not indicate a reduction in the number of unemployed persons. At any rate, next year there will again be more than 100,000 people--the same as in 1982--entering the labor force. If the economy continues as it is and there is still no improvement, it will be difficult to keep the annual average of unemployment persons below 2 million.

The Bonn coalition government, which could barely agree on a budget draft containing the original growth expectations, will face a critical situation because of the new wrinkle in the economic ups and downs. In fall when especially labor union resistance will be in full force against already adopted austerity measures, there will have to be new improvements.

Beyond that, however, in view of a stagnating economy and rising unemployment, an old dispute will again come to the fore: Is unemployment to be fought with extreme auterity policies and stimulations for industry, something the Free Democrats want, or with strong public investment programs, something that is demanded by the Social Democrats and the labor unions?

Last week Minister of Finance Manfred Lahnstein already used caution when he made the remark that he reserved the right to take up more net credit but also to make additional cuts. He did not want to "close either one of the doors."

Chancellor Schmidt, however, is bound by his word when it comes to his party, when he made the statement that additional outlays are to be met with only an increase in debts. When Schmidt made this promise during the final session of the SPD parliamentary group before the summer break, the head of government was probably not aware of the size of the new deficit for this year's and next year's budget.

Internal calculations based on the new data revealed that more than DM 10 billion will be needed by fall.

Already in June the coalition almost came apart, when the FDP demanded that new debts for 1983 will have to be much lower than DM 30 billion. A dispute over an additional DM 10 billion would be more than this coalition could endure.

8991
CSO: 3103/629

ECONOMIC RECOVERY SEEN NOT IN IMMEDIATE FUTURE

Athens BUSINESS & FINANCE in English No 205, 31 Jul 82 pp 4-5

[Excerpts] Even under the best of circumstances, this year's inflation rate will run between 28% and 30%, unemployment will increase by 1% to 2% and the GDP will stagnate. With five months left to go, 1982 already can be chalked up as a loss. The real question is whether conditions can change in 1983.

Interest in economic developments usually subsides during the summer months, but this July it is being kept high by approaching municipal elections which are causing much discussion and speculation.

The cabinet reshuffle, as with PASOK's advent to power in October 1981, has built up people's expectations to such a level that, should the government fail to fulfill them, great harm will befall it, at least in the opinion of one school of thought. Another school maintains, however, that only the completion of administrative procedures withholds the economy from advancing beyond the difficulties of 1982.

Of course there are always differing opinions about any economy at any time and, rather unoriginally according to form, the two prevailing schools at the moment are that of the optimists and that of the pessimists.

The optimists assure us that the economy will start to recover in 1983. They estimate that inflation will fluctuate between 20% and 22%, and GDP will increase between 0.75% and 1.0%, while employment will remain at 1981 levels. The current-accounts deficit, they say, will not exceed $2.3 billion, and the public sector as a percentage of GDP will drop by about 12%. One can appreciate why they are called optimists.

This picture was, essentially, the starting point of the government's economic policy early this year.

However, not wanting to dampen the optimists' enthusiasm, inflation probably will exceed 24% this year, and the GDP rise of 1% is insignificant and could have been derived from statistical differences in the calculation of the various figures. State revenues for the first quarter of this year are

only 27.4% higher than in the same period of 1982, and a 50% increase is required to reduce the public-sector deficit.

The current-accounts deficit is in danger of soaring if there are no favorable developments in the price of petroleum and a healthy increase of invisible earnings and exports – none of which seems likely to happen. Shipping and emigrant remittances are considerably lower than in 1981, down 13.6% and 5.5% respectively for the first quarter of 1982. Moreover, there are indications that the picture will not change when the next quarter's figures are published.

As for the pessimists, they maintain that Greece's economic difficulties will continue right through 1983. Inflation, they say, will rise to between 28% and 30%, and the public-sector deficit as a percentage of GDP will fluctuate over the 17% level of 1981. Unemployment will increase by 1% to 2%, the GDP growth rate will remain stagnant and the absence of investment will not create enough jobs to absorb the existing unemployed and new graduates.

One thing is certain, however, and both the pessimists and optimists agree on this, and that is that the economy is not going to recover in the immediate future.

There are two basic reasons for this. First, the diversification of the government's position on certain foreign-policy issues indicates that ideological concessions have been made to maintain equilibrium within the party. For the same reason, no drastic changes in economic policy can be expected from the new Cabinet.

Secondly, the shadow of the municipal elections restricts the government's freedom. Any major deviation from present government policy would be politically damaging.

It seems, therefore, that as far as economic recovery goes, one can write off 1982. The most important question then, is whether or not conditions will change in 1983.

But it's the inflation front that's hot. Rates winging up to 28% and 30% may cause serious economic and social problems, with significant political repercussions. Because of this, certain circles claim that the government's main pursuit for the next two or three months should be to improve the climate for investments – and only after the municipal election draw its attention to inflation by freezing prices and wages.

On a more general level, the government is finding itself in a classic trap. Because the Greek economy is in recession, some of the more traditional measures used to fight inflation cannot be applied. Reduction of internal demand is economically nearly unattainable and politically risky because of unemployment exceeding 6%. Interest levels already are stretching up to 21%, and further increases might attract deposits, but not investments.

The vicious cycle is as follows. High public expenditures and shortages in the public sector raise inflation along with

interest; thus businessmen face increasing labor, economic and exchange costs, which intensifies inflation even more. At the same time, the incomes policy is also raising labor costs.

Confronting the dilemma will have to be at the level of cost control, not demand control, yet internationally such confrontation cannot take place because Greece's inflation rate differs from that of other countries. Their demands cannot be met, because of the interest-rate levels, unless public expenditures are reduced. Yet attraction of deposits is necessary for the financing of public needs. And on the labor level, control results in abandoning the income reallocation policy adopted by the government. So where is the solution?

Enough economists believe that the government's basic alternatives are limited. Specifically, there can be more active government intervention; an offer of creative cooperation combined with limitation of shortages in the public sector, or the familiar Greek "proceed according to what happens at each step" train of thought.

Undoubtedly, the situation has become so difficult that the "balance of terror" already has been reached. But one consoling element can be found in the framework of strict economic calculations and deadlines, with a nod to the increasing degree of communication between governmental economists and the business world. Perhaps the most consoling thought of all is that surprises have never been the result of strict economic procedures.

CSO: 4600/725

BRIEFS

BALANCE OF TRADE DEFICIT CUT--National Economy Minister Gerassios Arsenis announced yesterday that the deficit in Greece's balance of trade during the first four months of this year was reduced by 9.9 per cent, to 1,905 million dollars from 2,114 million dollars in the corresponding period of last year. The current account deficit was also reduced during the January-April period by 17.7 per cent, to 849 million dollars from 1,031 million dollars in the 1981 period. Citing Bank of Greece statistics, Mr. Arsenis said that imports in the period were down 6.9 per cent at 3,420 million dollars, against 3,671 million dollars last year. However, the statistics on exports were not so encouraging; exports accounted for 1,515 million dollars, against 1,558 million dollars last year, marking a 2.8 per cent decrease. Last year during the period exports were up 14.5 per cent over 1980. Foreign exchange from tourism during the January - April period was up 2.2 per cent at 276 million dollars, against 270 million dollars in the corresponding 1981 period. Foreign exchange from shipping, however, was greatly down, at 536 million dollars. Foreign exchange reserves on 30 April stood at 1.047 million dollars, against 1,714 million dollars on the corresponding 1981 date. [Text] [Athens ATHENS NEWS in English 5 Aug 82 p 7]

APRIL BALANCE OF PAYMENTS--A sharp drop in the balance of payments deficit occured for the period of April 1982 with the figures quoted as 20.5% in comparison to last years increase of 35.8% over the figures quoted for 1980. On the other hand, the influx of foreign capital into the country for the purchase of property has marked an upward trend, whilst currency reserves have shown a loss. Commenting on the latest figures disclosed for the balance of payments, Mr. Arsenis said that there was no need for the government to review its predictions for the figures estimated for the period of 1982. He admitted though that import figures the month of April fell by 14% while exports suffered a 15.15% drop. However, the trade balance in general shows an overall improvement shortening the deficit by 14.6% for April and 10% for the first four months of the present year. [Text] [Athens ATHENS NEWS in English 5 Aug 82 p 7]

MINING COMPANY TAKEOVER--In a major socialization step, the government has taken over eighty percent of Larco, S.A., the mining and steel processing concern which, with 2,300 employees and over ten thousand million drachmas in assets, is one of the ten largest companies in Greece. The State has acquired Larco, formerly in the Bodossakis (Athanasiadis) group, by converting the company's debts of three thousand million drachmas to the National and Commercial Banks into stock. Both banks have been instructed to grant further backing in order to increase the company's output. [Text] [Athens THE ATHENIAN in English Aug 82 pp 12-13]

CSO: 4600/725

CHAMBER INDUSTRY COMMISSION PLAN FOR INDUSTRIAL RENEWAL

Rome L'ESPRESSO in Italian 8 Aug 82 pp 118, 119

[Article: "I Want To Dress It in a Completely New Outfit"]

> [Text] Plan ready for a fundamental review of the entire industrial policy. It was prepared by the Chamber Industry Commission. Trade unions and businessmen agree. It could succeed if...

Rome--Italian industry is sick. But it can be cured. It is also a little old, but an attempt can be made to rejuvenate it, and above all, to make it technologically more advanced and more competitive compared with that of other nations. Vittorio Merloni, president of Confindustria [General Confederation of Italian Industry], says, "The important thing is that these not remain merely good intentions, but that they become concrete facts."

The book of good intentions to which Merloni refers has a somewhat cacophonic, bureaucratic title: "Report on Industrial Policy: The Problems of Innovation in the Evolution of the Industrial System and in Relation to Existing Legislation." It is the report prepared by the Industry Commission of the Chamber of Deputies and made public a few days ago. In all, it totals about 60 pages which list the weak points of the Italian industrial system and suggests therapies to cure them.

This study is the fruit of a long labor during which the members of the Industry Commission with its chairman, socialist Enrico Manca, met with bankers and large commercial representatives, trade unionists and businessmen. And they even took a tour abroad: In France where they held long discussions with many of Mitterrand's ministers including the Scientific Research Minister Jean Pierre Chevenement.

What were the results? The essential problem is that Italian industry is now flattening out, squeezed between that of the developing nations, which have lower labor costs, and that of the highly industrialized nations, that are able to employ increasingly refined technologies. In short, we are to some extent between the hammer and the anvil. And to escape this situation it is first of all necessary to plan for technological innovation, "which is," Merloni says, "a key element for the development of the Italian industrial

system." This means to stress the more advanced sectors like data processing, data banks, electronic mail, transportation. But innovation must also take into consideration those so-called "mature" sectors which are labor intensive and which, precisely because of their high number of employed are important for good relations between business and the trade unions.

In short innovations in all sectors are being planned. But how? With what instruments? With what legislation? "We can agree on one point contained in the Industry Committee report," says Giorgio Benvenuto, secretary general of the UIL [Italian Union of Labor], "and that is that the policies of the government, based prevalently on a monetary and credit maneuver and not accompanied by structural aid, do not resolve the problems of businesses and wind up by expanding areas of the inefficiency of low productivity."

But what about industry laws such as 675 or 183? "That is another fact that emerges from this investigation," Benvenuto adds, "a law such as 675 has been exhausted, or in any case, has revealed very serious limits. A policy for industry is possible. But we cannot think of programming entire sectors always and in every case. It can be done only in terms of specific realities and under certain conditions. However, for the future, it is better to abandon general legislative instruments designed for businesses that are absolutely different in size and nature. They are laws of a financial nature, but they are not v ry functional even from this point of view because they are too muddled and bureaucratic. In short, they are of no use for any kind of industrial policy."

The report points out another bureaucratic distortio .. That is, the "political" separation brought about in Italian industry between private and state participation enterprises. In this regard President Manca formulated a precise proposal: to create, following the recent French example, a ministry of industrial production. Today there are many disarticulations, too many control centers that cross each other and often get in each other's way.

That a new industrial policy should be started is the thing that everyone agrees with from the trade unions to businessmen, to the organs of local government. Whether it will be successful is a problem still to be seen. There are many doubts. Above all if one looks at precedence. Manca is nevertheless certain that his proposal will strike a positive echo in parliament as soon as sessions are resumed after the summer recess.

But what will industrial policy be like if the dictates of the Industry Committee are followed? There are essentially three points upon which to base the policy of innovation: (1) The reestablishment of equilibrium in the financial structure of enterprises and an adequate recapitalization of the business system (reduction of the cost of money and labor, mobilization of savings, loosening credit on favorable terms, automatic financing, leasing and factoring); (2) The strengthening of traditional infrastructure and a broad action to equip the country with new high-technology infrastructures; (3) A policy of public demand as a central and integrating aspect of industrial policy (the report proposes establishing of a unified political center of coordination and allocation within the cabinet to deal with the many demands of public administration).

Other proposals refer to: the creation within IMI [Italian Credit Institute] of a special independent section for the increase of innovation (purchase of patents, market studies, marketing techniques, the search for financial partners and participants in its capitalization, in addition to the credit institutions, would be insurance companies and industrial groups; the creation of an agency to coordinate and promote technology transfers; reform of patent legislation, unblocking credit on favorable terms.

"Innovation": This will be the order of the day for a truly functional industrial policy for our country. In order to achieve it it is necessary to launch a complex of legislative measures whose need becomes more urgent the more many regulations (such as 675 and 183) are in a period of extension. Optimism should almost be a requirement, but doubts are obligatory. And the greatest perplexity comes from experience: "One year ago in our document on industrial policy," concludes Merloni, "we businessmen had raised the same problems. It is sufficient that now we do not continue to wait."

6034
CSO: 3104/271

SCOPE OF TURKISH CONSTRUCTION ABROAD SURVEYED

Istanbul MIDDLE EAST REVIEW in English Jul 82 pp 22-26

[Article by Saadet Kuyumcu]

[Text]

Contractor services abroad, which carry as much importance in the opening up of the Turkish economy as exports, constitute a major source of foreign exchange earnings and provide numerous employment opportunities.

The success of our contractors abroad is admired by foreigners as well.

The activities of our contractors are becoming more and more widespread as intense ~~see~~ relations are developed in the Gulf countries and the Middle East similar to those already established in Libya. For the time being the Saudi Arabian market the most attractive. In the meantime, the difficulties Libya faces in world trade are reflected in its relations with our contractors. It is expected that the rivalry and competition in the field will become more intense if and when the present social and political instabilit in the Middle East ends.

RAPID INCREASE

Turkish contractor firms possess the necessary accumulation of knowledge. The success of our businessmen in this field is clearly evident in the rapid increase in the total volume of business contracted during this period. The volume of contracts, which was 1.6 billion dollars worth in 1978, rose to 2.1 billion dollars in 1979, 2.9 billion dollars in 1980, 4.5 billion dollars during the first quarter of 1981 and to 12 billion dollars in 1982, rising by 7.5 billion dollars in 7-8 months. The peaceful enviroment at home and the strengthening of our external relations have contributed to this increase.

Officials from the leading Turkish external contractor firms, ENKA, SEZAİ TÜRKEŞ - FEVZİ AKKAYA, KUTLUTAŞ, DOĞUŞ İNŞAAT and İNTEŞ answered our questions on the volume of business they contracted in 1981 and during the first quarter of 1982, the countries where their activities are concentrated, the problems they face and on the Turkish workers in these countries.

VIEWS OF ŞARIK TARA CHAIRMAN OF THE BOARD OF ENKA HOLDING

ENKA Holding is going beyond the contracting and construction business abroad and exporting manufactured products and is planning to export managerial services as well. The Chairman of the Board of the Company, Şarık Tara stated that the activities of the company are concentrated in Saudi Arabia where 583 million dollars worth of business has been contracted. He said the following on the activities of the company:

"During the first three months of 1982 ENKA has contracted to build the 384 million dollar Medina housing project in Saudi Arabia, 2 bridges worth 24 million dollars again in Saudi Arabia and a water pipe-line and pumping station in Iraq. The total volume of business we contracted

during the first three months of 1982 is worth 415 million dollars. 384 million dollars of this amount is in a fifty-fifty partnership with the Kutlutaş Holding. Again during the same period we have sent abroad a total of 1297 Turkish workers, 769 to Libya, 310 to Iraq, 209 to Saudi Arabia and 9 to Jordan. The total number of personnel we employ abroad has reached 5072."

Tara stated that his company contracted a total of 555 million dollars worth of business in 1981, 30 million dollars worth of which was in Saudi Arabia, 390 million dollars worth in Libya, 95 million dollars worth in Iraq and 40 million dollars worth in Jordan. According to Tara 350 million dollars worth of contracts were realized in the fifty-fifty partnership with Kutlutaş Holding. Tara gave the following information on the present state of construction projects previously contracted by his company:

"Our company is presently building 1129 villas and the necessary infrastructure in the city of Ras Lanuf in Libya, 4 cement factories in Iraq and 1 in Jordan, a concrete canal in Jubail in Saudi Arabia, a water distribution network and the pumping station in Riyadh and a 500 unit housing project in Hufuf. The total volume of business we have contracted abroad is in the amount of 1.2 billion dollars. Among the jobs we are about to conclude are the Wasia water purification facilities in Saudi Arabia and the Arab Potash potassium refinery and the power transformers in Jordan."

Şarık Tara, who stated that ENKA does not face any major financial difficulties added that difficulties could arise if Libyan oil sales remain at the present low level, though so far the Libyans have had no difficulties in meeting payments.

Şarık Tara believes that there should be no differences in terms of respectability between large and small firms and that small firms risk their respectability only when they undertake large projects. According to Tara, ENKA aims at exporting not only goods and contractor services but managerial services as well. ENKA Technical General Construction Management and Maintanence Company, recently founded with this aim, has already undertaken the partial management of a cement factory in Iraq and of a plastics factory and steel factory construction in Saudi Arabia.

VIEWS OF FEVZİ AKKAYA-SEZAİ TÜRKEŞ HOLDING

The managing director of the Fevzi Akkaya - Sezai Türkeş Holding, Rıdvan Dedeoğlu, remarked that the establishment of a State Insurance Guarantee Council is essential for the development of external contractor services and added that so far his company has not contracted any new business in 1982. Dedeoğlu gave the following information on the jobs contracted by his company during the previous year:

"The construction of the Tripoli Yacht harbor commenced in April 1981, the military depot facilities in February 1981 and the naval base in September 1981. The total value of these projects reach 100 million dollars. On the other hand, the construction of the Misurate Steel Facilities Harbor, which we undertook toward the end of 1980, is proceeding rapidly. This facility was contracted for 280 million dollars. Our jobs in Libya will be completed in 1983 or by the beginning of 1984. We employ over 2200 engineers and workers in Libya.

In Saudi Arabia, after completing the construction of the Muna tunnels in Mecca, in July 1981 we undertook the construction of new tunnels and of the concrete roof of a water depot together worth 100 million dollars. In accordance with Saudi laws we undertook these jobs in partnership with Saudi firms. These jobs will be completed by the end of 1983 and the beginning of 1984. The total number of workers and engineers we employ in Saudi Arabia is 1200."

Dedeoğlu, who remarked that there are delays in Libya's payments to contractors because of the difficulties this country is having in marketing its oil and because of the drop in oil prices, stated that payments are being made as usual in Saudi Arabia and that the remittances of workers in this country are transferred to Turkey regularly. Dedeoğlu, who stated that the activities of the firm are presently concentrated in Libya, added that further

business could be contracted in Iran and in the neghboring Arab countries.

The Managing Director said the following on the failure of small firms to complete the projects they undertake: "Small firms usually undertake contracts abroad at low prices and without prior planning. It is inevitable that such small firms will face difficulties. Such firms not only damage Turkey's commercial respectability but also lead other small firms to hesitate about entering external markets."

Dedeoğlu added that in order to provide security for external contractor services it is necessary to set up an insurance system similar to the German Hermes, French Coface and the British ECGD (Export Credit Guarantee Department). According to Dedeoğlu the establishment of such a system is essential for the secure development of the exports of contractor and engineering services and of industrial goods and facilities.

VIEWS OF DOĞUŞ CONSTRUCTION EXTERNAL RELATIONS COORDINATOR

Aydın Karagözoğlu, who is the external relations coordinator of Doğuş Construction, which realized the construction of the Hasan Uğurlu Dam and is currently building the Urfa Tunnel, remarked that great opportunities for the development of the national economy are provided by external contractor services and that government aid is essential in order to make full use of these opportunities.

Aydın Karagözoğlu, stated that the Doğuş Construction, which won the bids for a highway contract in Libya in 1981 and for an irrigation project in Iraq in 1982, would put heavier emphasis on external activities in 1982 and summarized the activities of the firm as following:

"Last year we undertook a contract near Derne in Libya. We bid for the construction of a dam in Yemen. We are continuing with the talks concerning the Libyan and Yemen contracts. We are waiting for the talks to begin on the irrigation contract we won in Iraq. The total value of these projects is about 325 million Turkish Liras. Currently we employ over 1000 workers abroad."

Karagözoğlu remarked that the seeking of guarantees by foreign banks for the letters of credit issued by Turkish banks has lead to an increase in the volume of bureaucratic procedures as well as in commission expenditures while reducing the competitive edge of Turkish contractors. According to Karagözoğlu the fall in oil prices has resulted in a slowdown in construction in all oil dependent countries other than Saudi Arabia.

VIEWS OF KUTLUTAŞ OFFICIALS

The officials of the Kutlutaş Holding stated that the firm faces no difficulties abroad and that necessary support is being provided. During the first three months of 1982, Kutlutaş Holding in partnership with ENKA undertook the construction of 2000 houses worth 384 million dollars in Saudi Arabia. According to Kutlutaş officials 4000 workers will be employed on this project.

The officials, who stated that in 1981 the external construction activities of the firm were concentrated in Libya and Iraq, said the following on the activities of the firm:

"Among the construction projects we have undertaken in Iraq are the foundry facilities of a cement factory, the water purification facilities at a military airport and a poultry slaughterhouse. In Libya we are building in partnership with ENKA 1100 houses and the infrastructure required for these houses. The total value of these projects is around 400 million dollars and a total of 3000 workers are employed on the projects."

The officials, who stated that the company received 96 million dollars in credit from a consortium of banks from various countries, added that no problems have been encountered in receiving the payments made by the countries where the company is functioning. According to Kutlutaş officials the company is seeking more business abroad.

VIEWS OF INTES OFFICIALS

Officials of the Intes Company stated that major bettlenecks existed in obtaining letters of credit and with respect to the purchases of materials

required in large projects as well as in areas of planning and gave the following information on the activities of their firm:

"Intes is engaged in the construction of the sea water purification facilities in the city of Al Birk in Saudi Arabia commenced in 1981, and of the customs and administration buildings of the port of the industrial city of Kanbu. In 1982 the firm won the bids for construction of the dirtv water purification facilities in Yanbu and for the construction of a 200 bed hospital in the city of Al Harj. Currently 600 workers are employed in our projects. It is estimated that 600 more will be employed in the newly contracted ones."

Intes officials stated that their activities were concentrated in Saudi Arabia and that they wolud seek contracts in Jordan and in the Emirates. According to Intes officials the company seeks work in countries open to international competition and with a promise of true political stability. The domestic activities of the company are being continued with camps for the recruitment, adaptation and training of the personnel who will eventually be employed abroad. Intes officials stated that the failure of a Turkish firm would cause great damage in the region where the firm is functioning.

CSO: 4600/720

SPD'S BOERNER ON CHANCES IN HESSE ELECTION

Hamburg DER SPIEGEL in German 16 Aug 82 pp 36-44

/Interview with Hessian Minister President Holger Boerner by Hans Werner Kilz and Juergen Scherzer: "Dregger Is a Hessian-Style Reagan"/

/Text/ /Question/ Mr Minister President, in 6 weeks the Hessian SPD/FDP administration, the last socialist-liberal coalition in any of the Laender, will be a thing of the past. According to the polls, only 38 percent of the electorate will vote for the SPD on 26 September. Have you already prepared yourself emotionally for the role of opposition leader ?

/Answer/ Not in the least. The SPD is going to fight. It is true that we are waging a campaign against everybody this time. That is both a risk and an opportunity. We must become the strongest party in Hesse. That is the only way we can continue calling the shots.

/Question/ Your CDU challenger Alfred Dregger already got 46 percent of the vote in 1978 and the SPD only got 44.3 percent. Nationally, the SPD has hit a low point and here you are saying you want to become the strongest party. Are you trying to kid us ?

/Answer/ I should say not. The things that count are full employment, social security and in foreign affairs, the continuation of Helmut Schmidt's policies. Anyone who votes for Dregger puts the federal government in jeopardy.

/Question/ That is the way you talked it up 4 years ago and you managed a slim majority, together with the FDP. But how do you propose to keep Dregger from taking over now that the FDP has performed its turnabout ?

/Answer/ I am aiming for a coalition with the FDP voters.

/Question/ What is that supposed to mean ?

/Answer/ I am going on the assumption that anyone who wishes to see liberal policies continue in Hesse can neither give his vote to Dregger, nor to the FDP but will have to vote for the SPD this time around. Those who have voted for the FDP up to now will think twice about voting Dregger into office.

/Question/ You have accused the FDP of a "breach of faith. If one of two partners becomes unfaithful, chances are the other was not blameless, either. What were the mistakes you made ?

/Answer/ This business about a breach of faith must be seen in conjunction with Bonn. Now look: when I first got here, I did not know whether I was taking over an actual government or a wrecking firm. I managed to stabilize the socialist-liberal coalition in Hesse and succeeded in securing the flanks of the Bonn government in the process. With our decisions on energy policy, we managed to get the government out of the blind alley into which Mr Albrecht had led it with his decision on Gorleben.

/Question/ Your counterpart in Lower Saxony believed the nuclear waste facility at Gorleben was "not politically feasible" and proceeded to win his election with an absolute majority. You want to see a reprocessing plant and the third stage at Biblis built and are going under with your nuclear policy.

/Answer/ We made a lot of sacrifices to help the national energy policy along. The SPD and FDP jointly bore the responsibility for security and education policy as well. That is why the FDP decision to join forces with Dregger is a kind of treason vis-a-vis its own history.

/Question/ Have you become the victim of the FDP's policy of political survival ?

/Answer/ Since there was no reason to change coalition partners in Hesse, I must assume that it was not the Hessian FDP chairman Gries who pulled the strings but someone else and that that someone did not have the courage later on to go all the way.

/Question/ Genscher ?

/Answer/ Yes, yes. It didn't work because Genscher decided not to jump. Now Gries is down in the pool finding out that it is not full of water but full of nails. And as for Genscher, he is still dangling.

/Question/ Well, Gries is gone and you must look around for another coalition partner. Are you going to pick the Greens ?

/Answer/ First of all: a political group which has not worked out its stand on the use of force is not a coalition partner for the SPD. Secondly, a political group that declares war on the parliamentary system has not learned anything from German history. Thirdly, anyone who goes to Qaddafi and asks him for advice on what to do is not a partner for us. And then, No 13 on the Green list is a airplane hijacker.* I think it a bit strong to expect me to form a coalition with people like that.

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* The writer Raphael Keppel, brandishing a toy pistol, seized control of a Lufthansa flight on its way from Frankfurt to Cologne in September 1979 acting "from utter powerlessness vis-a-vis this inhuman system."

/Question/ He is listed as a candidate but could not serve as a deputy because the passive right to vote was taken away from him for 5 years.

/Answer/ But it does give an indication of what the Greens are really like.

/Question/ Klaus von Dohnanyi, the mayor of Hamburg, was only able to stay in office because of GAL support. Could you see yourself sitting down with the Greens and negotiating ?

/Answer/ You can be sure of one thing: you will not see any such photographs—not even in the form of montages.

/Question/ What would you rather see ? CDU right-winger Dregger running the government or social democrat Boerner, with the help of the Greens ?

/Answer/ I get paid among other things for not getting caught by trick questions. The Hessian voter has only one decision to make: Dregger /or/ Boerner—only one alternative that is as clear as anything ever will be.

/Question/ 6 weeks ago, you thought it "unlikely" that the Greens would have enough votes to enter the Landtag. You thought they would "disintegrate." Do you still have your doubts about the runway opponents making it into the parliament ?

/Answer/ There is a sort of echo effect following the success of the Greens in Hamburg. It is possible that such a group will be represented in the next Hessian Landtag.

/Question/ Wouldn't you say that you yourself are beefing up the Greens as it were ? Because of your nuclear and concrete policies and the controversy about the West runway, about Biblis C and the reprocessing plant, lots of SPD voters switched to the Greens already in the 1981 communal elections.

/Answer/ The Greens in Hesse are not home-grown. The virulence of this political problem has gotten tied to certain Hessian projects as it has in some of the other Laender. It is important to deal with such groupings but it is equally important for a political party to know who its adversaries are.

/Question/ You are a bit late in making this observation. It took the Hessian SPD until now to have a Munich sociologist prepare a study on how the Greens are structured.

/Answer/ This study was prepared in order to analyze the whole spectrum of opinions represented in the Green organization. I still maintain that these are forces that tend toward anti-parliamentarism which threatens our political system.

/Question/ The author of the study reaches the conclusion that the Green philosophy is "based on harmonious human relations, happiness and surveyability." Can't the SPD offer anything comparable ?

/Answer/ If you are referring to the debate which has gone on inside the party over the past few years, then I agree with you. It was not always harmonious—not in Hesse, either. But the decisive question is whether one can master the fate of our people simply by yearning for it. Let me give you an example: Until 1990, we need 200,000 new jobs in Hesse—particularly for our young people. The Greens don't have an answer to that.

/Question/ Do you know of a solution to this problem at a time when the people have to sit and watch AEG, the second-largest electrical firm in the FRG and one of the biggest employers in Hesse go bankrupt ?

/Answer/ The AEG is the fiasco of the German business world. The banks lose their money; but thousands of workers lose their jobs and along with it their meaning in life. In a market economy, one has a right to expect businessmen not only to pat themselves on the back in fair weather but to shoulder their responsibilities when the weather turns foul as it now has in the case of the AEG.

/Question/ The Hessian state bank, which you had to bail out to the tune of DM 2 billion when you took office, has its share of troubles, too.

/Answer/ I then st.ck to the responsibility of the owner—so do the labor unions as the owners of Neue Heimat. Insofar as the bank we own has been affected by the AEG settlement, it will not shirk its responsibilities. This entrepreneurial debacle is costing our bank DM 120 million. That is more than I need to pay the salaries of 3,000 teachers.

/Question/ And it will cost the SPD votes, too.

/Answer/ How come ? I am not the chairman of the board of AEG; Mr Duerr of the CDU is.

/Question/ Isn't the SPD responsible for at least some of the pessimistic economic prospects for the Land ?

/Answer/ The state does not function as a repair shop for capitalism. These were entrepreneurial mistakes—there is no disputing that.

/Question/ The chances that economic conditions will improve by the end of September are none too bright. In the fall and winter, the number of unemployed will rise still further. An additional DM 3-5 billion may have to be set aside for them in the budget. There will be new gruelling controversies with the FDP. Would the SPD accept drastic cuts in the social safety net for the third time in just 1½ years ?

/Answer/ I think we have reached the limit of what can be done to the working population. I still consider the proposal I made at the Munich party congress the right one: to collect a surtax on high incomes for the benefit of government investments.

/Question/ That was the very proposal that made the FDP walk out on the coalition in Hesse.

/Answer/ For me, that is very simply a question of a sense of justice. I just gave you some figures out of a hat. As for me, I do not consider it unjustified to ask anyone earning more than DM 100,000 a year to pay a 3 percent surtax on it.

/Question/ But on the basis of this program—how do you expect to attract former FDP voters ?

/Answer/ My feeling is that there is far more of a readiness to accept sacrifices among the population than the politicians have assumed up to now and that there are many socialist-liberal voters who are saying: if it has to be done, we are ready to go along with it.

/Question/ But there is one man whose support is crucial who would not go along: FDP Economics Minister Lambsdorff.

/Answer/ The main thing is to find out what the FDP wants and even more what the CDU wants. Thus far, I have not heard a word from either party on the pressing domestic issues which are decisive for the stability of our democratic order. All they have said is that we must have faith in the workings of the market. Mr Reagan's and Mrs Thatcher's disaster and the AEG disaster have clearly shown where you wind up when you leave job security to the workings of the market. And as for Dregger—if I read his remedies correctly—is an attempt to practice Hessian-style Reaganomics.

/Question/ We have not yet heard Dregger spoken of as an economic expert. What are the proposals he has made ?

/Answer/ He has proposed a one percent cut each year in government employment. He borrowed that from Reagan's neo-conservative concept of the withdrawam of government from economic policy—which has pushed the jobless figure to 10 million in the United States and to 3 million in Great Britain.

/Question/ Are you saying that a Dregger government would lead to even more employment in Hesse ?

/Answer/ Mr Dregger does not know enough about Hesse. If he did, he would be aware of the fact that you cannot save a single position in law enforcement. And if we were to cut the jobs of 500 teachers every year, the professional opportunities available to unemployed teachers would get even worse.

/Question/ And how do you propose to hold on to the jobs ?

/Answer/ If a substantial number of government workers who hold down second jobs—like teachers who teach at adult education centers or at the police academy—would give those jobs up voluntarily in favor of unemployed young people, then we would have jobs for hundreds or even thousands at no extra expense.

/Question/ Do you mean that only the teachers should make sacrifices ?

/Answer/ It could apply to the legal profession, too—to judges for instance. If they would voluntarily reduce their work week and take a pay cut and if the government for its part would make a commitment to use the savings not to balance the budget but to create new jobs, then the employment problem of much of our younger generation could be solved.

/Question/ You were not enthusiastic about the Bonn SPD/FDP coalition proposals to get the budget under control. What didn't you like about them ?

/Answer/ In principle, I think the federal budget represents the right answers to the needs of our time. What I was opposed to was that the FDP added a feature to the budget that had nothing to do with getting it under control.

/Question/ You are referring to the DM 5 each hospital patient will have to pay out of pocket every day.

/Answer/ Yes. That is a penalty—which runs counter to the system—imposed on anyone who must enter a hospital. If Mr Genscher views that measure as a great breakthrough and as a veritable turning point in the social security system, then that tells us a lot about him because essentially what that means is that the little people are going to bear a double burden in the future.

/Question/ But the SPD went along on these economy measures.

/Answer/ Which is why I criticized them. I told my friends in Bonn not to let themselves be blackmailed on this issue because, unlike some members of the Bundestag fraction, I look upon the real meaning of those DM 5 as a matter of principle. For that matter, the administrative costs involved are greater than the savings.

/Question/ How will the Hessian government react in the Bundesrat ?

/Answer/ As long as I have anything to say in Hesse, the Hessian government's decisions will be based on confidence in the chancellor's policies—and we will vote accordingly.

/Question/ So you are prepared to accept the entire package ?

/Answer/ The parliamentary debate is just beginning. We will wait and see how it comes out. The main question for me is what alternatives the CDU may offer—and the moment of truth for them will come in the Bundesrat. If Mr Strauss is already saying that he will not accept any change in the income-splitting provisions for married couples, then that means there is a silent coalition between Mr Genscher and Mr Strauss. Mr Genscher has agreed to something which Mr Strauss will block in the Bundesrat. That supports my theory that it is nonsense to think that Dregger would support the chancellor, if he took over as minister president of Hesse. The fact is he would try to unseat him.

/Question/ Are you saying that the FDP just voted for the reduction of tax benefits in the case of income splitting among high earners because it assumed that the CDU/CSU would vote the provision down in the Bundesrat ?

/Answer/ If the FDP swallowed hard and agreed to something it knew was not going to pass the Bundesrat, then the chancellor got taken by his coalition partner in this particular case.

/Question/ Well then, aren't those social democrats like Oskar Lafontaine and Erhard Eppler right in saying that a continuation of the Bonn coalition no longer makes sense ?

/Answer/ I don't go along with that at all because then the conservatives would say for decades that SPD capitulated in the face of these problems. The SPD must not capitulate; it must face up to its responsibilities. Anyone who has studied German history must know that the voters turn over responsibility to those they elect so that they will carry it and not shirk it. To go into opposition as the result of an election, as Jochen Vogel did in Berlin—that is the honorable way.

/Question/ And you will assume your new role just as honorably after the Hessian election ?

/Answer/ I am not prepared to make any predictions. Let the voters decide.

/Question/ Chancellor Schmidt and Vice-Chancellor Genscher will have to fight the Hessian election campaign out among themselves. Isn't that bound to have some repercussions on the Bonn coalition ?

/Answer/ Mr Genscher made that particular bed; he and his FDP will have to lie in it.

/Question/ How do things work out in the cabinet which includes FDP ministers Gries and Hoffie who have both turned against you ?

/Answer/ As head of government I am responsible for seeing that the administration functions properly.

/Question/ Couldn't you have fired the two of them ?

/Answer/ If they had said after the coalition decision was announced: Mr Boerner, let us make a clean sweep. That is the way it goes in politics. We are submitting our resignation—then I would have said: let's have a farewell dinner. You are decent people. I am going to get myself a new crew. And the Hessian people would have sat still for that for 6 months, I think.

/Question/ Wasn't it a mistake to take FDP right-winger Hoffie into the cabinet. He came out against a coalition with the SPD even before the last Landtag election.

/Answer/ There is an agreement among coalition partners that says personnel matters are decided by the individual parties. But it was a mistake of Mr Gries' to bring him down to Wiesbaden from Bonn or rather it was a weak spot: he had to bring him down and then he was stuck with him.

/Question/ But on the implementation of the airport runway and the nuclear power plant projects, you were always in agreement with economics minister Hoffie, weren't you ?

/Answer/ I differ with Mr Hoffie and particularly with Mr Dregger on the nuclear power issue. I am not saying: nuclear power without any reservations as the CDU has always said. Only when the courts have said that the Gorleben storage facility is acceptable will it be possible to approve construction of the C reactor block at Biblis.

/Question/ If the Lower Saxony court finds in that case prior to the Hesse election, will you then give the green light to building the third reactor ?

/Answer/ Of course. This is a substantive question relating to the future of our Land and not a matter of coalition horsetrading.

/Question/ Wouldn't it be awkward just prior to the election ?

/Answer/ How so ? The SPD has overwhlemingly come out in favor of nuclear power at its party congresses. And so, it will keep its word—to the voters, too—if this is needed for the economic development of our Land.

/Question/ But wherever nuclear plants have been built there has been resistance to them. In Frankenberg, too, where a reprocessing facility may be built, the mood is turning against the SPD.

/Answer/ I don't agree with you at all. I explained the decision of the cabinet to the mayor of the town. We agreed we would look into the feasibility; we did not agree on building the facility and whatever we did, we did out of a sense of national responsibility.

/Question/ Then there is no reason for the North Hessians to worry ?

/Answer/ If the feasibility study shows that the facility could not be built without endangering those who live and work there, then it will not be built. And if the disposal of waste from the plant cannot be arranged in some other Land, then, too, it will not be built.

/Question/ Hesse already has more than enough energy. The nuclear plants A & B at Biblis supply almost 60 percent of Hesse's energy needs. No other Land gets as much electrical power from nuclear plants as Hesse. Why must a third reactor be built at Biblis at all ?

/Answer/ It does not have to be built quickly but it should be built to make provisions for the energy needs of a highly industrialized area which not only includes Hesse but large sections of Rhineland-Palatinate and Baden-Wuerttemberg as well.

/Question/ But the growth rates for energy needs are stagnating.

/Answer/ The present usage rates do not matter but rather the economic growth rates we will have to have. The viability of our chemical industry depends on cheap electrical energy. And there is no cheaper way to get it than from the nuclear reactors. The chemical industry is not just made up of a few stockholders; there are 90,000 working people and their families in Hesse that depend on it. I do not want to see them have to move to France with their jobs because the French are building nuclear power plants and we will have fallen by the wayside as an industrial nation in the space of 10 years. Without the Rhine-Main area, Hesse is as poor as the Hunsrueck.

/Question/ Growth rates are a thing of the past in air transport as well, as the Frankfurt Airport administration pointed out last week. To build the West runway, 300 hectares of woodland will be chopped down. Was that really necessary ?

/Answer/ Nothing has changed as far as the need to expand the Rhine-Main airport is concerned--neither for the Hessian government, nor for the government in Bonn.

/Question/ But Frankfurt airport may not function as much as a turntable as before. Heinz Ruhnau, the head of Lufthansa, at least has indicated as much. Intercontinental flights will be originating in Hamburg and Munich to a greater extent.

/Answer/ I have a feeling he will become more familiar with the problems of air transportation as he continues on his Lufthansa job.

/Question/ Don't you think you took on too much of a burden what with the projected reprocessing plant, the West runway and the concentration of nuclear power plants in Hesse ?

/Answer/ I did what is necessary for the future of a highly industrialized Land and I am sure the voters will honor it.

/Question/ Even SPD members are inclined to doubt that. Many are asking whether they should even "make an effort on behalf of the SPD in the Landtag campaign." What do you tell them ?

/Answer/ I tell them what I said at the Land party congress loudly and clearly: Anyone who does not fight for Boerner makes it possible for Dregger to take over.

/Question/ SPD functionaries in the airport communities issued a call for Erhard Eppler. They said he was a "real alternative to Boerner and Dregger." Does that hurt you—to be mentioned in the same breath with an arch-conservative like your CDU opponent ?

/Answer/ You know, the SPD has been a very open-minded political party for a long, long time. There is room for dissidents in it, too.

/Question/ FDP chairman Genscher has made plans for about 50 appearances during the Hessian election campaign. Chancellor Schmidt will be here only six times. Do you think the chancellor has written the Hessian SPD off, too ?

/Answer/ Well now, that really is a question of efficiency. Genscher has to speak to lots of small groups and even then will not have seen as many voters as Helmut Schmidt did in just one appearance.

/Question/ Mr Minister President, we thank you for granting us this interview.

9478
CSO: 3103/641

PCI-PSI COMPETITION TO WIN MIDDLE-CLASS CONFIDENCE

Growing Importance of Middle Class

Rome L'ESPRESSO in Italian 8 Aug 82 pp 6-8

[Article by Renzo Di Rienzi: "To Whom Will the Middle Classes Turn? To Me!"]

> [Text] Berlinguer and Craxi fight for them in every possible way: with conferences, appeals, surveys. But which of the two does the middle class prefer? Who will conquer its electoral favors?

Milan--In recent months the leftist parties have been facing a new challenge, less obvious than the others, but not for this reason less binding: the challenge to capture the vote of the middle classes, of the new professions, of the so-called emerging classes whose views will be decisive in the coming political elections. The PCI organizes conferences and surveys to understand why the pleasant encounter it had with these classes in the 1976 elections turned out to be so brief, and how they can be attracted again. The PSI [Italian Socialist Party] puts out posters and commissioned Makno to run a survey that would show how many votes it would get among this bank of voters if it were to push for elections earlier than scheduled (see survey results further on). What is happening? All this interest for the employee mass has the flavor of a historical repayment of a debt. This emerging social group which in its various incarnations and modernizations also calls itself cadre, technician, consultant, time and machinery controller, and that "little boss" so scoffed at by the workers' vanguards and their spokesmen over the past 15 years. The reason for this sudden interest is also of a statistical nature. The first data supplied by the census last year shows that the number of white-collar workers has swelled to a point where it is about to outstrip the size of the working class. More than half the Italian working population, that is 8.9 million persons, is employed in services, while only 7.2 million persons work in the industrial sector where there is the largest concentration of skilled workers.

Now it is a question of understanding who exactly this modern white-collar worker is, his propensities, his idiosyncrasies. In short, precisely because it is an emerging class, it should still be politically unstable and fluctuating: Whoever can most precisely sketch its identity has the greater

possibility of understanding how it votes. The organizational machinery of the PCI was immediately started up and in the past few months has commissioned one after the other: a survey of the living habits of Milanese female white-collar workers; a study entrusted to Emanuele Invernizzi concerning the social views of the San Donato ENI [National Hydrocarbons Agency]; another survey, contracted out to Alberto Baldissera, concerning the feelings of Fiat workers and cadres. Finally, it organized a conference at Milan during which Riccardo Terzi--who handles these problems for the party--was just one step from promoting the end of the PCI traditional policy based on skilled worker centrality and according to which the PCI must always consider that working class interests come first. "Some simplifications of social reality," Terzi says, "today no longer hold: Some years ago it was believed that the vanguard workers could drag most of the working class along, but it has been seen that this did not happen. Just as there is no longer a belief in the too-mythical concept of worker centrality, in view of the enormous expansion and the weight that is being assumed by the middle classes in Italian society."

But the PSI also concentrates on the middle classes to ensure its share of the vote. Claudio Martelli, assistant secretary, explains why it is so necessary for his party to capture the middle-class vote even to the detriment of other social classes: Because a large part of the brain, the backbone and physiological metabolism of an organism as complex as Italian society is formed in and from the middle class. Its voting and political behaviors are, and this is not new, decisive for the Right, for the Left and for the center.

As is well known, moral values are a matter of opinion, in fact where Martelli sees modernization, culture, awareness of one's own means, others see unbridled individualism, consumerism, abandonment of Christian values and moral degradation. Enrico De Mita, who teaches at Milan's Catholic University and is a brother of the Christian Democratic secretary, synthesizes all the reasons for the suspicions the DC entertains toward Craxi's attempt to breach the middle class. He says, "If Craxi thinks he can put himself at the head of these so-called emerging classes, then we will have a party which, after having abandoned socialist humanism, will be the sum of interests, egoism, and unrestrained consumerism. These classes, or better, aggregations of population categories, since they have no traditions, are still not a social class. They have in common among themselves alone some standards of living that are largely influenced by the mass media and by publicity. In short, an operation of that kind would recall with local pertinence the one carried out years ago in France by a certain Mr Poujade, who for some time had the ability to put together a large part of the French urge to get ahead and its everyman philosophy."

This criticism from a Catholic source strangely resembles certain criticism of Marxist origin and what De Mita says today echoes a famous essay written years ago by the German Hans Magnus Enzenberger. "The petty bourgeoisie is the only one that assimilates and retransmits to a massive measure the models of daily living... It grinds up ideologies, sciences, technologies. It decides what from time to time in life is 'in' or 'out.'" Enzenberger ended

his essay with a question: "Is there really no antidote to the habits of our class? Will no one be spared, not even the Congolese, the use of underwear invented by an Italian designer? Must the Vietnamese also swallow valium?"

After all, weren't the Catholic and Marxist critisms of welfare society the humus in which the historical compromise was born and developed?

"At the bottom of the historical compromise," Enrico De Mita argues, "there is the idea that an encounter between the Catholic morality and socialist humanism, mainly represented today by the PCI, could put a brake on the spread of an idiot and amoral radicalism. It is true that there was still a lack of common culture among Catholics and communists upon which to base a government alliance, but there were some common moral values. I believe that political plan should be picked up again, even though in critical terms."

In recent years there also was an attempt to push forward a more rigorous version of the historical compromise that was not based so much on an encounter between Catholic and Marxist values as rather on a sort of social pact among the producing classes, that is, among businessmen and the working class and all the others outside. The socialists have always energetically opposed this project. They considered it conceptually unfounded and politically abnormal. Is it legitimate to consider everything that is not part of the traditional forces of the nation anomalous or anarchoid, they ask?

Martelli says, "The desire is to discourage anarchist and corporative tendencies that are largely present among the middle class. That's all right. But are not they present to some extent in all of Italian society, in large sectors of the ruling class, as in agriculture and in the working class itself? Instead would it not be simply idiotic to depict more than half the Italian population as Gascon wishful thinkers? If others want to do that, if others want to erect against the monsters of modernization the crosses, the garlic and stick pins [destroy by black magic] into the historical compromise, well, they can be my guests."

The delay and the embarassment in seeing the emergence in the Italian system of this endless and poorly catalogued mass of classes and professions whose ideological connotations are still uncertain, grew out of another error committed by our ideology of the Left; the error of having too soon decreed the proletarization of the middle classes. And this precisely while some groups of workers were adopting attitudes and behaviors that makes them more similar to the middle class than to the mythical class excogitated by the proworker theoreticians. And with some delay, the parties of the Left are becoming aware of this. As is demonstrated by the survey below.

Socialists Woo Professionals

Rome L'ESPRESSO in Italian 8 Aug 82 pp 8, 9

[Article by Guido Quaranta: "Craxi and Travet: Newlyweds Today, Who Knows What Tomorrow?"]

> [Text] A survey commissioned 5 years ago by the socialist secretary reveals that his policy is paying off among white-collar workers, executives, teachers, professionals. But...

Rome--Five months ago PSI Secretary Bettino Craxi commissioned Makno to conduct a survey on what Italians thought of the Spadolini government, to forecast how they might react in case of elections earlier than scheduled, and to test the hidden motivations that could lead them to vote socialist. The survey was conducted by 990 interviewers, questioning 1,820 citizens over 18 years old in small and large cities: The results--condensed in a 107-page report--have been under study by the leaders in Via del Corso for the past several days.

Three major political orientations emerged from the survey: (1) The current government enjoys a moderate consensus; (2) The premature dissolution of the chambers [parliament] is no longer considered traumatic as it was at one time; (3) The socialists can increase their voting power, particularly among the middle classes.

Spadolini Yes, Spadolini No

The survey first of all learned that 5.9 percent of those questioned were "very satisfied"with the present government; 22 percent "fairly satisfied"; 30 percent "moderately dissatisfied"; 22 percent decisively hostile and 10 percent "indifferent." The overall consensus (28 percent) is greater than net dissent (22 percent) and the percentage of those who were indifferent is fairly well contained: This latter fact is a sign that the government in some way cut into the antipolitical bloc and that the lay image of the prime minister pays off in terms of public opinion. A curious detail: Spadolini is liked above all by professional groups with fairly high incomes.

For or Against Elections

Twenty-nine percent of those interviewed (mostly youths between 25 and 34 years old, of white-collar level, living in average cities in central Italy) maintain that elections will be held earlier than scheduled while 34.5 percent believe the opposite. The number who said they were uncertain is considerable (23.7 percent), while the number of those who were indifferent was more modest (11.8 percent). But what views were expressed regarding new elections? A total of 17 Italians out of 100 said they were favorable, 16 said they were moderately opposed to this, 32 percent were critical, 24 percent were indifferent and 10 percent gave no opinion. The rate of negative replies was still high but as Makno emphasizes, it is less than in the past (until some time ago it was calculated to be around 62 percent). The Makno analyst insists that it can be deduced that public opinion is anything but unprepared for a new election earlier than scheduled.

Absenteeism

Asked about the attitudes they would take in case of elections, 81 percent of those interviewed said they would go to vote, 3 out of 100 replied that

"for the first time" they would desert the polls, an equal number said they would desert them "again"; 10.7 percent said they were uncertain and 2 percent did not reply: The theoretical area of the "nonvote" is supposed to total around 19 percent. If it is considered that in the last political elections 90.4 percent of those who had a right to vote went to the polls, it can be estimated that the tendency toward desertion will increase further. In this regard the experts, however, verify that the phenomenon would be due more to the traditional behavior of certain social groups--above all those with high incomes and those working in agriculture--particularly attracted by the choice of abstention, rather than to a specific psychological reaction to yet another dissolution of the chambers.

The Feelings of Italians

But on the basis of the survey, what political choices will be made in the secrecy of the polling booth in case of an election? A total of 18.6 percent of those who had an opinion among the persons questioned (1,007 out of 1,829) said they expected to vote for the socialists, confirming the opinion that the carnation party is gradually increasing its strength (in fact, the percentage registered in a 1979 survey was 16.6). A total of 37.4 percent is reported to have opted for the Christian Democrats (in 1979 this figure was 39.8 percent); 20.7 percent were reported to be opting for the communists (1979 percentage: 19.3) and 7 percent would vote for the republicans (1979 percentage: 5.7). The number opting for the PSDI [Italian Social Democratic Party], liberals [Italian Liberal Party] and the MSI [Italian Social Movement] was reported the same.

Prosocialist opinion appears very high in the South, in the islands and in the small to medium cities (10 to 30,000 population), among the youth and middle youth (25 to 34 years old) or among the elderly over age 65 and, as regards professional work, among the free professionals and farmers. But the PSI has points of strength also in northeast Italy, in communities of 5 to 10,000 inhabitants, and in cities with 30 to 100,000 population. However its pulling power in central Italy is low, that among the very young (18 to 24 years of age), among businessmen, while workers and day laborers are stationary.

According to Makno experts, the opening toward the middle class (white-collar employees, teachers, free professionals, executives) adopted by the PSI in recent years shows it is "undoubtedly paying off" while it is blocked by the attraction toward even broad strata of the working class and the lower classes. What emerges is a picture of the Italian Socialist Party that is the interpreter of the now mythical Italy of the provinces, based on widespread small business.

The survey finally reveals that, above all in the South, in the medium and small cities, among women, the average and average-lower classes, there is a considerable mass of voters (calculated at around 2 million) who say they are uncertain whether to vote socialist and that they could be persuaded without much difficulty.

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FRAGA CONFIDENT OF PICKING UP PIECES AFTER PSOE FAILURE

Bogota CROMOS in Spanish 20 Jul 82 pp 12-19

[Interview with Popular Alliance (AP) leader Manuel Fraga Iribarne in Madrid by Margarita Vidal; date not specified]

[Text] Manuel Fraga Iribarne, the former vice president of the ruling party and former minister of government at the time of Generalissimo Franco's death, which suddenly saddled Spain with the terrible and dangerous responsibility of learning to function as a democracy with only a few old and traumatic memories of what had been the first and second republics, is a true modern phoenix risen from the ashes.

Fraga, who was the controversial, admired, embattled, temperamental, viscerally totalitarian star minister of the cabinet, as well as a man with a short political fuse, was given a pauper's funeral at the elections that brought Adolfo Suarez to power as the head of a makeshift political party, the Democratic Center Union (UCD), which had been put together in light of the mounting chances of the Spanish right wing's "bogeyman": Felipe Gonzalez and his Spanish Socialist Workers Party (PSOE Today, however, Fraga is making an unusually strong comeback as the head of an overhauled movement that also seeks to halt the speedy climb of the Socialist leader towards the presidency. What happened in the meantime?

Suarez won two elections, stopped Felipe and governed until his prudent, albeit not very experienced political intuition told him that he ought to step down.

His surprising resignation left a designated heir, Leopoldo Calvo Sotelo, who is not the right man to deal with, much less to unify the widely disparate political movements, families and associations making up the patchwork that defeated the PSOE, a patchwork

that had been sewn together with the thread of fear of the Socialists but that has come apart at the seams because its fabrics did not match. The UCD was held together by fear of the Left, not by an ideological consensus or a platform.

In the view of political observers in Spain today, this is what wrecked the efforts of Calvo Sotelo, who has been propped up all the way.

Spain is thus preparing to bolster its democracy at the next general election by shifting its support from the UCD to Felipe for a change of course. At least this is what we can apparently gather from the recent election in Andalusia, where the PSOE won a crushing victory. "Felipe Racing Towards Power" was the title of my interview with him, and this is what political observers in Madrid are saying.

Yet things might not be that clear-cut. Manuel Fraga has made a comeback, and what a comeback. He scored a crushing victory in Galicia and took second in Andalusia, taking shape as the rightwing leader who, if he were to strike a responsive chord in other kindred factions, could forge a great coalition that would once again dash Felipe's hopes. The conditions do not, however, seem very favorable. Fraga is worried, and the internal strife on the Right, with the rebirth of Adolfo Suarez's ambitions, is hampering his plans. Thus, unity hinges on his talent, skill and capacity for persuasion and bargaining.

We will not learn the outcome until late this year, when Spaniards go to the polls. For the time being, here is the conversation I had in Madrid, thanks to the efforts of Virginia Obregon, with the leader of Popular Alliance, in which he outlines his views on what the future of his homeland might or might not be like.

The Dissolution of UCD

[Question] How would you describe the current political juncture in Spain, which is a source of concern overseas?

[Answer] These are times of great anticipation among the public, which is justified because, first of all, we're at the end of a legislative session. And then, unfortunately, because the performance of the UCD administrations in this period has not been good, especially in the economic and social area. The upshot, of course, is that the country is going through a crisis, which has worsened in recent days, a crisis

of inflation, of strength, of domestic and foreign debts and of a budget deficit that could approach a trillion pesetas this year. A trillion, not a billion! The biggest impact of this crisis is disinvestment in business, which destroys job opportunities. This is why right now there are more than two million unemployed persons in Spain. There is also a crisis because the main reform of the 1978 Constitution, that is to say, the establishment of the regional autonomies, has not resolved the problems of violence, which has left a toll of more than 600 deaths. Perhaps in terms of what violence in Colombia was like, these figures might seem modest, but in light of 40 years of peace in Spain, they mean something. Thirdly, this crisis is making substantial changes in Spain's political map, the crisis of major parties. In some cases the crisis is even thought to be irreversible. Apart from two nationalist groups with regional bases, there are four parties here: UCD, the ruling party; the PSOE, the Socialists; the Communist Party, and Popular Alliance, our party. Two of them are in a full-fledged crisis. Communism is in grave condition because it has split into two parties, not just two factions. One wants to follow the so-called Eurocommunist line, in other words, evolution towards non-Marxist-Leninist socialism, a course charted by Carrillo, and the other, which seems to be stronger, wants to return to proselytizing. These are two separate camps. Furthermore, and this explains the crisis better, the party lost in the elections in Galicia and Andalusia, and its union group, which until recently was larger than the Socialist one, is also shrinking.

But the crisis of the ruling party, UCD, is even more serious. This traditionless party was created ad hoc, from the government, for the 1977 elections by a coalition of very diverse families (almost 20 of them) that the administration wanted to force to unite. They didn't, and in January of this year the deputies and senators began taking off in both directions, leaving the party in the minority in both houses. And you can now see, after the elections in Galicia and Andalusia, that the party is clearly breaking up.

[Question] And what's the upshot of all this?

[Answer] Well, very likely that the next election is going to be between the Socialist Party and us, with the other two parties far behind.

A Two-Party System in Spain

[Question] This means that Spain is necessarily headed towards a two-party system consisting of AP and the PSOE, doesn't it? And you're happy about that. Do you really think it will happen that way?

[Answer] That is a debatable and debated issue. My opinion is that it is going to happen that way, which is a good thing. Others say that it's not going to happen, and some say that it is but it's a bad thing...I'm saying that it will happen and that it's for the good. After the elections in Galicia and Andalusia it seems inevitable, because there's a phenomenon called the "useful vote." People don't like to waste their vote, and

since here it's not like in Colombia, where people are used to their two traditional parties and vote Liberal or Conservative, and since there used to be six or seven parties until just recently, the Socialist Party gets a lot of votes on the Left and we do on the Right. And I think that this is a positive trend, because history shows that democracy works poorly with very complicated political systems. The common people like to know whether they are voting for one thing or another. They prefer a sophisticated, more robust system that is easier to analyze. Furthermore, the unarguable outcome of what we have had so far has been minority governments of the UCD, and if they had not been minority governments, they would have had to be coalition governments with all of their shortcomings, which are also well-known. In contrast, the other system will lead to something necessary for the consolidation of democracy: clear-cut governments, because as a Frenchman said, you have to know who's in power in order to know whom to disobey, right? Moreover, there ought to be a clear-cut opposition alternative.

[Question] The number one political topic in Spain today is possible rightwing coalitions to head off Felipe Gonzalez once again. Is there a chance to forge a strong enough union to prevent what now seems unavoidable, in other words, Felipe's becoming the next president of Spain?

[Answer] After the elections in Andalusia, the Socialist Party is obviously the largest one and, therefore, the frontrunner in the opinion of some. But I don't think that it's an unavoidable or irreversible trend. Andalusia was a very favorable area for them, because almost all of the Socialist leaders, from Felipe on down, are from Andalusia, Seville specifically, and the region has had a leftwing tradition, perhaps because there has been, unfortunately, the most misunderstanding among classes there. But this situation does not apply to all of Spain. In fact, the Socialists came in third in the Galician elections. We won in seven industrial cities, so it was not just any old victory. What I'm trying to say, in any event, is that a Socialist victory is not inevitable. They have the advantage of having unified the Left more than we have the other side. This is why there is talk, and I think it's a good idea, of boosting AP's strength through various coalitions, of which two or three very likely ones are under study. Two or three groups could join us, most of them from the current breakup of the UCD. Primarily there is the group of Liberals...

[Question] Garrigues?

[Answer] I haven't named names because the Liberal faction is very much divided in Spain. This is why I've talked about the Liberal sector, the Christian Democrat sector and what we could call independent conservatives. Talks are moving ahead well with these two latter groups.

[Question] And who would the leader or the candidate of this potential coalition be?

[Answer] Well, I think that at this point it would be very hard to deny that Popular Alliance is by far the most important group, and therefore the initial leadership would have to be ours.

[Question] Are you telling me then that you would be the candidate?

[Answer] I have nothing to add. I am the president of the party, but to us principles are more important than individuals.

The Bear Hug

[Question] Mr Fraga, do you think that in a gesture of altruistic patriotism, the PSOE is, paradoxically, propping up the Calvo Sotelo administration and,as they are saying, acting as the backbone of democracy in Spain?

[Answer] Well, this is a relative sort of assistance. There is a French saying about bears: "I hug my enemy, to crush him." Rather than propping up, the PSOE has very skillfully attacked less strongly than it could have, but only to get something in return. The point is that the Socialists, and they are right about this, feel that time is on their side and they would rather gain time for the elections. They feel that an early breakup of the government, which has an organized bureaucracy, always carries some advantage. Secondly, they feel that given the current breakdown in UCD, time is working against it. Moreover, since 23 February they have been making a big thing of saying: "I don't want to force anything that could give rise to another military move." This is an exaggeration, because there was no military coup. There was a small powerplay that didn't give rise to any large-scale action in the Armed Forces. Their technique is well-known: they unleash an artillery barrage against the government, create a lot of damage and then at the last minute fail to fire the torpedo that would sink the boat. That's a very peculiar way of helping out, isn't it?

[Question] I think that you're downplaying the significance of the attempted coup on 23 February...

[Answer] I'm not downplaying it. I'm describing it as I see it and I do not agree at all with the judgment of the PSOE, because if the Spanish Armed Forces had wanted to stage a coup, it would never been easier than that day, when a powerplay by a few individuals, who had not spoken with the others, reduced the government and Parliament to powerlessness, and yet the whole thing lasted less than 24 hours. The fact is that not a single unit, aside from the ones that were already involved, rose up.

[Question] Yes, but in the opinion of experts, King Juan Carlos was the man who prevented the coup from succeeding. His actions and his attitude prevented the coup from succeeding.

[Answer] Of course, it was the action of the king, using only his personal authority and the telephone. But he was able to do so because the Armed Forces' frame of mind was favorable.

[Question] The echoes of the major controversy prompted by the sentences meted out to the coup plotters have still not faded, and you yourself seem to want to drape a merciful cloak of discretion and oblivion around the matter. Why?

[Answer] Well, that's another issue. But the only thing that's clear is that there was not a coup. The trial of 23 February itself showed that there is no coup movement within the Armed Forces, that this is far from being a majority sentiment in them. Then we have the assessment of the sentences. There are those who think that we have to make a big lesson of this and put many military officers involved in the coup out of action. They wanted a bigger event, a much more sensationalist trial, which at one point was shown to be folly, as the king himself intelligently stated on 24 February. Then comes the problem of the sentences of the people involved, and of course the tribunal, following a longstanding military tradition, felt that military ethics demanded harsher punishments for the leaders of a rebellion than for the subordinate officers. For example, a lieutenant on his first tour of duty that evening was involved. Thus, the criteria for disciplinary action were different. This is a debatable issue and thus ought to be left up to the courts, first the military tribunal and now the civil court, and parallel judgments shouldn't be forthcoming every day from the official press or television, with statements by members of the cabinet and even the president himself. This is my opinion. I will not pass judgment on the sentences. I have noted the political framework in which the incident took place, and there are many who, like me, believe that the great military family has behaved basically well and that it is not a good idea to heighten the pain of that great family. It's as if a brother of yours does something tasteless socially or legally, and I tell you: Hey girl! Are you even going to let yourself be seen with your brother! Or something like that. He should be consoled. And that's what some of us have tried to do.

[Question] Well, but would you say that we can or cannot rule out the theory of uneasiness in the Spanish military?

[Answer] The uneasiness obviously exists, but it in no way shows backing for a coup. The Spanish military is a professional military that has been in its barracks for a long time. It is not a deliberative military, nor does it voice views on any political or social matter proper. Like all militaries in the world, as part of its fundamental mission of defense, it becomes worried when it realizes that, although its direct function is not involved, there is a great deal of insecurity in the country. And we have the problems of terrorism and a rise in crime. The military is worried about this, especially the separatist nature of the violence, because it is obviously the military's function to defend the integrity of the nation. Any military in the world would be worried about that. To attribute other designs to the Armed Forces is to be unfamiliar with how military officers think.

[Question] Aside from the political problem, what would you say is the main problem confronting the Spanish people at present?

[Answer] Unemployment. Unemployment is above the 2 million mark, affecting 16 percent of the population. This is an extremely high level, and

unfortunately the trend is upward. The very sensitive sector of our youth is especially hard hit. It is easier for a man with a job to keep it than for a 25-year old with a recent university degree to get his first job. When this hits a dynamic sector like young people, it causes frustration, rebelliousness, a desire to drop out, take drugs, whatever. This is our number one problem because, furthermore, the unemployed person infects the entire family with his problem and the family infects the entire building in which it lives. When I say infect, I mean it in the sense that the concern spreads. But the fact is that unemployment is not an isolated phenomenon, like a fever, which could be caused by a cold or by sunstroke, in other words, opposite factors of heat or cold. Unemployment is a sign that something is not working. Joblessness indicates that the economy is not working right and not working right because there is no confidence. The stock market is falling every day, interbank interest rates are very high, the peseta has dropped to 112, 114 to the dollar; all of these are very clear-cut and dangerous signs.

[Question] And what is the proper remedy?

[Answer] There is only one. we have to reestablish investment. No one invests today. If you have money, you put it in a bank at a high interest rate; you don't think about building a factory because you're afraid that the numbers aren't right, that inflation will wreck your investment plans, that there will be a fierce strike. Therefore, we have to create that spirit of investment so that you're not afraid of getting shot in the Basque Country if you invest there or that the workers are going to go on strike (strikes are not regulated today). You have to be confident about making a net profit and about arranging loans at interest rates much different from the ones today under the government's very harsh monetary policy. In a word, we have to create confidence and stimulate investment.

A Blank Page

[Question] You were a key element in Spain's move towards democracy. What assessment would you make of these 5 years of democracy in your country?

[Answer] Reforms to pave the way for democracy should have been implemented here opportunely. A major one was, the press law, which contributed a great deal to subsequent progress. But others that ought to be in place by now are not. For example, the political parties reform, which should have been completed in 1969, did not get done in time. So we have to concede that we started off somewhat late, which permitted some demagoguery and certain pacts in which the Far Left and Basque and Catalan nationalist groups operated very skillfully to secure advantages that would perhaps have been smaller with timely reforms in place. Therefore, I do not deny that the transition has been difficult because of the circumstances in which we found ourselves. I myself was government vice president and minister of government at Franco's death and I had

7 very trying months. Nevertheless, it is my opinion (I could be wrong, but many Spaniards think so too) that the transition, entrusted to unexperienced, untrained men like Mr Suarez, was basically not handled well and that today we have to rectify the mistakes that out of weakness and lack of experience they committed all over the country.

[Question] Would you say that President Calvo Sotelo is also weak and inexperienced, as you describe Adolfo Suarez, and that this is what explains the UCD crisis and the shaky situation that the government is in?

[Answer] Mr Calvo Sotelo, and we can't deny this because it's a fact, inherited a bad situation, which I pointed out when I abstained in the first vote on his appointment, and he hasn't been able to cope with it. It is obvious, however, that in his case (he is a very different man), perhaps because of too many doubts, because of his somewhat Hamlet-like personality, because he was too conditioned by a disintegrating party, he has been unable to resolve any of the problems before him. To his credit, he made an intelligent foreign policy decision, entry into NATO. This aside, all of his efforts can be summarized by a single item: a blank page.

[Question] You were the author of the press law. In your opinion, what role has the press played in the democratization process? Do you think that it has helped or that the results have stemmed from something latent, something that already existed?

[Answer] Fortunately, the press had already begun its great national debate, and that's why I cite it as an example of everything being easier when things are started in time. The press had begun debating national problems as far back as 1966, and this is why it contributed, both then and later, to the process of change. It's very hard, of course, to tell whether each paper has been equal to the occasion or whether it took advantage of them to engage in demagoguery or to serve certain interests. But on the whole it is obvious that one of the most positive aspects of the transition has been the press, because due to the preparation it came about less traumatically.

[Question] What kind of government would you say Spaniards want, accustomed as they were to so many years of authoritarianism, an iron fist and repression? Even today you hear people on the streets complaining that this administration, the UCD's, is a soft government. Do Spaniards like totalitarianism? Did they perhaps become used to it?

[Answer] Political change always brings its moments of hope and its moments of disillusionment, because expectations can almost never be fully met. A French republican who had spent his entire life fighting Napoleon III put it beautifully when the republic came and disappointed him: "How beautiful the republic was under the empire!" Well, that's not the only time in history this was the case; the Spanish people, and the Latin peoples in general, tend to get into this cycle of hopes and frustrations. But I have to point out this fact: the success of

Franco's regime was basically in the area of economic and social development, and no one denies this. In 20 years he took Spain from underdevelopment to among the world's 12 or 13 leading industrial powers.

We also have to add, obviously, that this was made possible by the economic situation stemming from the reconstruction of Europe, and for the second time this century the political change towards democracy (the first one was in 1931, when the Second Republic was established) coincided with a great worldwide recession. This is an absolute fact. Yet there are two things that major segments of the population certainly miss: one, the feeling of personal security, and the other, better management, greater austerity in government spending. Government spending, not investment, increased 240 percent from 1977 to 1980, and that is intolerable to people. And then there is also the pressure of certain segments of society. Everyone wants more, and the obvious result is that the budget can't take it. But I wouldn't exaggerate the importance of this situation. People know perfectly well that Franco is not going to rise from the dead, that those years are not going to return. Some people console themselves by telling jokes about this. There's a really good one about a guy who visited Franco's tomb and came back saying that he had seen him through the enormous rock covering it. "But how could you have seen him? He must be full of worms. Yes, he replied, and they're all standing at attention. Well, jokes are jokes, but these people know that this great man, because that's what he was, with virtues and defects, like everyone (it's just that because he was a major figure, they were larger than other people's, and when he made a mistake, it too was bigger) achieved tremendous economic and social development for the country, and everyone also knows that he left political matters unresolved, which is why they are as they are. But they realize, above all, that he is not going to come back to life. There is an amusing novel, "On the Third Day He Rose Again," that talks about what would happen if Franco came back to life. But all of this is useless speculation. Everyone knows now, and this has been my great task during all these years, that we have to organize again under democracy, by creating a national force, a conservative force, a earnest force that will make for an earnest and strong government under democracy, without thinking about historical ventures that are no longer possible.

Swimming Against the Tide

[Question] People say that you're always swimming against the tide, an example of which is the resurgence of your party with unusual strength after its spectacular defeat. They say that in politics you attack like a sort of rhinoceros, closing your eyes and not caring about what might happen to you. Do you agree with this description of you?

[Answer] No, I agree that I'm a man with quite a bit of strength in my political muscles and that I swim either with or against the tide. One can swim in either direction, but there are those who swim only with it. But the fact that there has been a group of individuals capable

of building a great party, as AP is today, in spite of a government that has been totally opposed to us and in spite of a series of unfavorable junctures, reveals that there are individuals capable of rescuing the country, and this is not faint praise. But naturally these same individuals will be capable of swimming with the tide too when the tide, as is obvious, is going to be with them very soon.

[Question] Felipe Gonzalez once said of you that you have a great head on your shoulders in which the entire State could fit. How would you respond to this praise from the head of the PSOE?

[Answer] He made that remark during a major parliamentary debate during which, before he said that, I had commented that he shouldn't see me as a rightwinger who does not recognize the idea of a moderate, constitutional Left and that about him I would say only what I said about Bevan, a British leader: that in order to be a good statesman he needed only to become a conservative. Which he will eventually become, I have no doubts!

[Question] And what is your personal opinion of Felipe?

[Answer] I think he's an intelligent man who, also in very difficult circumstances, has been able to build a party and take it where some of the people in the party didn't want to go. He has cut it loose from its revolutionary tradition and moved it towards Social Democracy, but I sincerely think that he still has a lot to learn, and he'll have time to.

[Question] But if Felipe were to win the general election and become president, do you think he could succeed in keeping the situation under control?

[Answer] My personal opinion is very pessimistic, not because of him as a person, as I have already said, but because I think that a Socialist Party, at least the way they operate in Europe and the ones I know, is no solution. Someone once said: A Socialist Party is good at slaughtering the pig but not at fattening it. And right now the pig is very skinny, isn't it? I'm talking about the economy, of course. They're going to ask him to keep all of his promises about a better distribution of the wealth, a better distribution of income, and he'll only be able to distribute poverty. Then they'll tell him to do other things, and he'll introduce the radical laws on abortion and a series of issues like that. And when he no longer has anything to introduce, the rank-and-file will turn against him. His lack of administrative experience is obvious, and I think that all of our inflation, unemployment and services problems would get much worse. This is why I think his solution would be bad. People in turn would say that all socialisms are bad. I think it would be better for them to bide their time for a less poor economic situation. I think that this time they ought to pass.

[Question] There has been one worrisome development. Despite Popular Alliance's victory (it came in second) in the Andalusian elections, you did not secure representation among the parliamentary officers. What happened?

[Answer] That's unimportant. It was due simply to the irresponsibility of UCD, which preferred a pact with the Communists. You can see, however, that this is an irrelevant issue, a sort of backlash by two parties in crisis that preferred to do that rather than uphold the principle: "A beautiful death does honor to an entire life!"

The Natural Majority

[Question] What is your theory of "the natural majority," which the PSOE rejects so strongly?

[Answer] I contend that in Spain the Socialists, who have a major party, are not in the majority and that the distinction between the Socialists and Popular Alliance is not, of course, just a matter of their attaching more importance to the public sector of the economy and our attaching more to the private sector. We have a very clear model for national unity. They defend a federalist model for the State. We defend an institutional view of society in which we value the family highly, for example, whereas they, on the contrary, do not see the family as the essential element in the social fabric. We view schools, which train the generations of the future, as an extension of the family, which is free to choose whichever school it prefers. They want a single type of school, fed ideologically by a ministry they control. And I could go on. There are major differences on every problem. So then, my personal opinion is that if Spaniards are presented with an alternative that offers them that concept of the nation, that concept of the family, that concept of schooling, in addition to the differences in efficiency between the two economic systems, we have a natural majority. What is happening right now is that an artificial party, the UCD, doesn't want this majority to happen, and the public is punishing it for this. But as long as it continues to take votes away from this majority, which men like Suarez not only refuse to join but even say that our role is to make a pact with the Socialists, they are destroying the possibility that the waters will seek their proper channel. The pretext is that polarization is bad, that it leads to a civil war, which is not true. This is absolutely false. It hasn't led England or the United States to one. Why should it lead Spain into one, because we are no longer the Spain of 1936, starving and almost illiterate? So then, for all these reasons the concepts of the natural majority are clear: "Non-Socialists ought to join together to prevent the triumph of socialism in Spain. Hence the idea of a coalition."

[Question] In the event that the idea of a natural majority is successful, would you be willing to support the candidacy of a third person, someone who is independent of UCD, AP and the rest, a new man who can forge unity?

[Answer] I would be willing to support any arrangement that moves this forward. In politics, however, you often hear the Spanish saying "no hay mas cera que la que arde" [this is all there is]. Where would these

people come from? Where are they? Do we or don't we know who they are? And the fact is that you can't improvise in politics. There are individuals whom the people know and trust. Others can't be improvised, so this possibility, which could be useful in theory, means very little in practice.

[Question] Suarez has been working to regain leadership of UCD. If he were successful, what would it mean to Spanish politics?

[Answer] It would mean little and it would be bad. Naturally, I'm not impartial in this matter. My opinion is that it would mean the definitive downfall of UCD and, unfortunately, it would lead the remains of UCD into a pact with the Socialists, which is really bad!

The Immigrant Vote

[Question] It has been announced that you will travel to Buenos Aires in July. Do you plan to push there for the votes of the big Galician colony or what other reason is there for your trip?

[Answer] This is a commitment that I made some time ago, and yes I do plan to visit the large Galician colony there (600,000 persons) and express my admiration and sympathy for the Argentine people, who are a great people of our Hispanic world. As far as votes are concerned...when the moment of truth arrives, those 600,000 votes become very few, something like 14,000. It's really not a major factor, because I behave like what I am: a son of emigrants who feels their nostalgia and in some way wants to be with them on the great day of their Galician homeland, which is 25 July.

[Question] Your temperament does not seem to be the most appropriate for a politician, who has to be able to play the big game of diplomacy, cajoling, if you wish, subterfuges and feinting to get what he wants. In other words, you are the opposite of former President Suarez, who is a magician at that kind of politics. Has your personality caused you any problems?

[Answer] Well, ever since the time of Machiavelli there has been talk of politicians who are like foxes and politicians who are like lions, right? And everyone chooses the type of politician he'd like to be. I've never liked foxes.

8743
CSO: 3110/203

FRAGA ON FALKLANDS CONFLICT, EC ENTRY

Buenos Aires CONVICCION in Spanish 26 Jul 82 p 10

[Interview with Popular Alliance (AP) leader Manuel Fraga Iribarne by Roberto J. Gandini; date and place not specified]

[Text] "Spain was behind Argentina's cause over the Malvinas from the very beginning. It still is and it will be. For reasons of family, first of all, but also on the basis of a general strategic notion of the world. It cannot be divided into rich and less rich countries or into North and South. For all of these reasons and for many more, Popular Alliance supports and will support the Argentine cause in the Malvinas," contended Manuel Fraga Iribarne, the party's top leader, in telling CONVICCION about Spain's stand on our nation's cause.

Fraga, a 60-year old native of Galicia, a former career diplomat and PhD in economic sciences, held his highest public office during the last stage of Francisco Franco's government: minister of information and tourism from 1962 to 1969. In this interview he discussed current events in Spain and around the world extensively. The following is a summary:

[Fraga] Spain is now much closer to Latin America than to Europe. Also as a result of this conflict, the countries of Latin America joined closer together, and they all stood behind Argentina.

[Question] Spain is closer to Latin America than to Europe?

[Answer] Europe is simply a geographic condition. We're there because we're there. Our exports have fewer kilometers to travel. But aside from this, I have always contended that there are three Spains: economically, we are part of Europe; strategically, we are part of the Western World and the Atlantic, and culturally, we are closer to Latin America.

The European Common Market

[Question] Spain wants to join the EEC for geographic reasons?

[Answer] It's like a person joining a club. It doesn't mean that he's going to leave his family or town. There are certain reasons for joining. I want to underscore that in no event will we abandon our close and cordial relations; they will be even better served, in fact. If Spain had been a member of the EEC or NATO earlier, perhaps these countries would not have reacted the same towards Argentina on the Malvinas issue.

[Question] When you say "we," who's talking, the politician or the Spaniard?

[Answer] Well, it's the Spaniard who espouses political ideas. But I'm speaking as a Spaniard. I'm convinced, though, that our group, whihc is a major one, represents a natural majority of the Spanish people.

[Question] Why hasn't Spain's entry into the EEC been approved?

[Answer] France is 80 percent responsible. Because of the competition that it feels is going to develop between Spain and France (mainly the south and southeast) in items such as wine, fruit, canned vegetables and some industrial products. It can be shown that the French economy as a whole will not suffer.

Italy has improved its stand. At one point it was hiding behind France. Germany doesn't want to contribute more to EEC finances. If Spain joined, the price of its share in the agricultural and regional cooperation funds would reportedly entail an increase of one percent in the value added tax for the EEC member countries as a whole. The other countries have nothing to lose. Everyone gains from Spain's entry.

[Question] Why did Spain join NATO?

[Answer] Because Spain is in a favored geographic location. A million tons of oil a day pass by the Canaries, and this is a required route for a lot of it. Spain needs a common land and sea defense. Moreover, it will enable us to pressure England, from within NATO, in connection with our claim to Gibraltar.

[Question] Does Spain spend a great deal to defend its territory?

[Answer] Yes, but not as much as other countries. Switzerland, for example, spends three times as much per capita in this area.

Inside Spain

[Question] What importance do you attach to the upcoming elections?

[Answer] They are very important. I do not agree with the scheduling. It'll be mid-winter. Moreover, it interferes with the pope's visit.

There will be municipal, provincial, regional and national elections. The outcome will decide the future of Spain. They will decide whether Spain will be one or a federation; whether it's going to be a secure society or a libertarian society (in the sense of absolute freedoms that do not balance each other out); whether it's going to be a society based on the family or on other institutions or on individualism; whether Spain's economy will be Western or bureaucratized; whether we are a neutral country or a country that is part of the general world to which we belong. This is why they are important.

[Question] What role will the Spanish Socialist Workers Party (PSOE) play?

[Answer] The last two elections, in Galicia in November and in Andalusia in May, clarified things a great deal. In both the people said no to the extremist parties on the Right and Left, no to the nationalist parties, which were restricted to the Basque Country and Catalonia, no to the Communist Party and no to a government party. The elections produced the two choices that normally exist in Western European countries: a moderate Socialist Party (PSOE) and a democratic, reformist Right that is both conservative and moralizing but not collectivist, which is AP.

Spain's Foreign Relations

[Question] How are relations between France and Spain?

[Answer] Very poor. And it's France's fault. Both on the international issue, Spain's membership in the EEC, and on the most elementary issue of coexistence, guarding against subversion on the border, and with regard to trade. Spain, in contrast, is playing cleanly. And I am of French ancestry too. France doesn't want a strong Spain. France is playing with outmoded concepts. It's not living up to its own, seemingly progressive ideas. It's a country of sacred egoism, but there is no such thing as sacred egoism.

[Question] Did tensions heighten when Mitterrand took over?

[Answer] We can't say that Mitterrand created the problems. None has been alleviated since he arrived, though. In fact, they've gotten worse. But it's only fair to note that the problems already existed under the previous administration. That does not, however, console us. The problems are getting worse.

[Question] Is Spain closer to the developing countries than to Europe?

[Answer] I'm not so sure that I agree that the so-called North-South, rich countries-underdeveloped countries division is a good enough explanation.

It smacks to me a bit of a class struggle problem, which might be a good description. In any case, Spain, which we could call a middle-class

country for purposes of understanding here, finds itself caught in the middle of this dispute and doesn't waver: it is closer to the countries that are still developing today.

I admit that the foreign policy of a country (my country, for example) requires a comprehensive plan, a cold and realistic approach marked by continuity and implemented by expert hands. Therefore, this is not a place for improvisation or improvisers, for experimenters, demagogues or people eager for the politics of expediency.

8743
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FRAGA REVEALS PERSONAL TRAITS, POLITICAL STRATEGY

Madrid YA DOMINICAL in Spanish 25 Jul 82 pp 3-9

[Interview with Manuel Fraga, leader of the Popular Alliance party, at his headquarters in Galicia, by Cristina Garcia Ramos; date not given]

> [Text] Today, 25 July, is the most Galician day of the entire year both within and outside Spain, and if one is looking for a Galician figure with vitality, it is difficult to find one with more personality, in all respects, than Manuel Fraga, politician, diplomat and former minister..., but above all, Galician, who, in an interview with Cristina Garcia Ramos, examines the current situation and particularly Galicia.
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> Few bet on him in 1977. Two years later the election results again rejected his electoral platform. Manuel Fraga said at that time that the man who is not capable of accepting his bad times is no politician. He knew how to accept them, and this past year things began to go very differently. He changed his star and broke his bad luck, or else the feelings of many Spaniards changed. Fraga did not change his programs, nor his way of doing things nor his attitudes. The Alliance leader's stroke of good luck began in Galicia and spread to Andalusia. Political odds makers say that Fraga is on the rise and in a good position to win. The strong man of the Spanish Right is preparing now, readier than ever, to do battle for the third time.

The following conversation began on Galician soil, starting with SANTIAGO WEEK. Then it went off in a different direction.

There is already the air of an electoral campaign in his headquarters. Manuel Fraga has, in the last few months, without quitting his parliamentary activities, multiplied his journeys within and outside of Spain to dialogue directly with his followers. He is going to spend the Santiago holidays with his Galician countrymen who live in Argentina.

"These days are very traditional with the Galician people, and I am going to bring those people proof that I am one of them. I have always had close ties

with the emigrants. I cannot forget that I am the son of emigrants. My mother was from lower Navarra. My father, Galician on both sides of his family, was named Fraga Bello; he was from a very countrified parish, San Jorge de Riogrueso; that is where my ancestors are buried. Afterwards, like many village dwellers, he came to live in a parish near the city, and that is where I was born, in Villalba."

[Question] Then you have no political motive for this trip?

[Answer] As a Spanish friend of Argentina, I feel obliged, like many Spaniards, to give some testimony of solidarity at this time, which are difficult times for that country. But the trip has been planned since January, long before the Malvinas war.

[Question] As a Spanish friend of Argentina, I feel obliged, like many Spaniards, to give some testimony of solidarity at this time, which are difficult times for that country. But the trip has been planned since January, long before the Malvinas war.

[Question] Your countrymen in Argentina are going to ask you about Galicia. How have things been going there since your party has been in power?

[Answer] Things are going well, and this in spite of the fact that Galician autonomy caught the Galicians somewhat unprepared, because the preautonomous Junta controlled by the UCD [Democratic Center Union] had not made much progress and left many matters unresolved, among them some which are giving us some serious headaches, like the location of the headquarters of the institutions. But what I would like to emphasize is that what they are not going to do is just as important as what is being done. In Galicia they will not build nationalism; they will build good Galicianism; there will not be socialism; there will be encouragement of the economy and, finally, between what is not going to be done and what is going to be done, I believe that everyone is delighted.

[Question] You have just mentioned Galicianism, putting it in counterposition to nationalism. Is lack of the nationalist component what makes the difference between Galicia and other peoples, such as Catalonia and the Basque Country?

[Answer] Basque nationalism has had a racial component which has existed since Sabino Arana: Euskaldum, as they call it. The Galician does not have this racial component; he considers himself descended from the Celts, the Swabians and many other illustrious peoples, but it does not occur to him that this makes a racial difference which might prevent him from being a brother to the other Spanish peoples. The Galician has always gloried in regionalism rather than nationalism. We Galicians have our own culture, an important vernacular language which we share with the Portuguese and the Brazilians, but at the same time we are aware of what bilingualism means and what it means to have been a part of the Spanish world since the 15th century, and that double awareness has always prevailed without taking anything away from our Spanishness. There have been some exceptions, particularly in the 1930's, but basically Galicianism is not anti-Spanish.

[Question] Then, autonomies, yes, but like Galician autonomy....

[Answer] Yes. I believe that in our country we can have autonomies like that in Galicia, which has rejected nationalist proposals without losing its Galician character. The Galician knows that his climate is different; he knows that the sun sets later there, that his life, his food and even his interests are different. We like our bagpipes; we like to read our classics, and we are all deeply in favor of changing a region which for many reasons--among them that of being in the far northwest--has remained behind the general development of the nation...a situation we have now decided to correct.

SANTIAGO WEEK, Galicia and the Galicians. The meeting with Manuel Fraga Iribarne centered principally on these subjects. Afterward we spoke of much more, although time was short, due to the Popular Alliance leader's tight schedule. The morning had begun with urgency. Mr Fraga arrived early at his office, with a bloodstain on his shirt and a cut on his face, indicating that he had shaved hurriedly. He requested time to change, and at no time did he try to hide "his worse side" from the camera this morning.

Solutions for Galicia

[Question] You were telling me about Galicia's problems....

[Answer] There are no specific problems isolated from the rest of Spain. There are, of course, some concerning a better adjustment and Galicia's integration into the rest of the nation. To speak of problems in Galicia is to speak of three subjects: industrialization and improvement of the cattle raising industry and the fishing industry.

He speaks rapidly and explains in detail.

"It is obvious that Galicia has a very low level of industrialization, if we compare it with Catalonia or with the Basque Country. This is due largely to poor transportation and communications. If the provinces of Lugo or Orense are among Spain's less densely populated regions, it is because until a very short time ago it was very difficult to transport a product from there except by sea. As for agriculture and livestock-raising, Galicia has more people in those lines of work than the national average. The cattle industry could become very profitable, one of the best in Europe; on the other hand, agriculture will never be a good source of wealth because of the rockiness and elevation of the land and the acidity of the soil. For this reason the desirable thing to do is reduce production in this area, not increase it. As for the fishing industry, indeed Galicia is the primary region for deep sea fishing in all Spain, and at this time it is experiencing all the problems created by the new law of the sea. The big questions revolve around all these subjects: industrialization, improvements in the highway network and in the cattle raising industry and a solution to the problems of the fishing industry."

[Question] When one speaks of the backwardness of many areas of Galicia, this is explained by the Galician way of life; the Galician chooses to live in a certain amount of isolation....

[Answer] In Galicia, and also in some parts of Asturias, the people actually prefer to live in the country, each one clinging to his own piece of land. In general the Galician does not like to live in the cities or in the big towns, and this poses a series of social problems, such as transportation, schools and health care.

Oligarchy and Bossism

[Question] One cannot analyze the social composition of the Galician region without mentioning the figure of the political boss....

[Answer] Indeed, the political boss appears because of that series of factors I just mentioned. Faced with poverty, the poor communications structure and the difficulties in getting to school, the country dweller, when he received some document or had to carry on some business, went to the only one who could help him with his difficulties; he depended on the critical judgment of the influential man of the village. These persons were the priest, the lawyer from the nearest town, the pharmacist or the doctor; often they were well-intentioned people who performed the task according to his instructions, but clearly no one could prevent certain people from using this custom for their own benefit, and the balance was not the best possible. Galicia was for a long time the ideal terrain for the well-known binomial of oligarchy and political bossism, but today there are no illiterates, there is no rural area which does not have a highway or a telephone, and that situation has changed radically. The kind of bossism which remains in Galicia is the same as remains throughout rural Spain: it is the official bossism of the local newspaper, the agricultural bank or the president of the cooperative, who exercise a bureaucratic authority no less dangerous than, but totally distinct from the traditional and, certainly, easier for the central governments to manipulate.

Humorous, Prudent and Suspicious

[Question] This is a country of catch-phrases and caricatures. Putting aside the clickes which we all have, tell me, as a Galician, about the character of your countrymen.

[Answer] The Galician has the same characteristics as any predominantly peasant people. The peasant is naturally suspicious because he sees himself as defenseless in his own isolation. There is a joke one hears a lot in London, which reflects well the character of the peasant: "An English government minister and the official who used to prepare his answers to Parliament became lost in the country. They were on a rural road, where they came upon a farmer plowing, and they asked him, 'Where are we?' The farmer looked at them suspiciously, scratched his head and said: 'You are in a car.' 'A perfect response to a parliamentary question,' said the minister's companion, 'because it is brief, it is exact and no one is any the wiser than before....'" Well, the peasant tends to that type of attitude and response, and most of what is attributed to the Galician character are simply the typical attitudes of a humorous, prudent and suspicious region.

[Question] And that widespread image of the Galician as melancholic, nostalgic and homesick...?

[Answer] This is linked more to the Celtic spirit and occurs in more complicated situations. It is obvious that the Galicians, like Celts throughout the world, perhaps because they live in coastal areas, which have a tendency to be misty and foggy, have developed a poetic character similar to the Irish, but also like the Irish, they have a deeply humorous temperament. Most of the great English humorists came from Ireland; here they come from Galicia, like Wenceslao Fernandez Florez, Julio Camba, Castelao or Alvaro Cunqueiro. The humor is related to what we have been saying: it comes from a realistic view of life, from a reality which we only halfway translate and which recognizes several points of view.... I believe that these phrases--peasant race, Celtic poetic quality and humor--are perhaps those which best define our character.

[Question] Why do Galicians hold such important positions in this country? Why do they succeed easily and make their fortunes outside Spain?

[Answer] Because for them there is no other way. The Galician is, in principle, born poor, in an overpopulated region where the land is all parceled out; now then, either he manages to make a good military, bureaucratic or political career, or he has a bad time of it. For that reason you will find many officials --the Ministry of Finance is full of Galicians—, and they are also in all branches of the army and in politics. The need to get out is the first explanation; then, it is obvious also that this character of which we were speaking--prudent and humorous--also goes very well with politics. As for the Galician emigrant, what usually occurs is that as he was a good citizen in his own country, he is that also in his adoptive country: he "tunes in" immediately and adapts.

A Galician in Politics

[Question] Are you this prototype of a Galician in politics which you have just defined for me?

[Answer] I am Galician, but with some strong Basque components. My parents, as I said before, were emigrants and met in Cuba. Then they returned to Galicia and had twelve children. I am the oldest; we all went to the university--my brothers and sisters and I--in an era when that was not so usual. My parents did not have that university education, and we all did it by our own efforts, overcoming many obstacles.

[Question] Not only did you overcome them, but you also came out number one all the time.

[Answer] There was no other way. At that time there were no scholarships. There was only matriculation on the basis of honors, and that is the way I had to go.

Even his worst enemies do not dispute that element: his willpower. They also recognize his political polish, his status as a good parliamentarian and his coherence. Halfway between the pros and cons they place his energetic character, which has brought him more than one disappointment, and which is now bringing him dividends. The image experts also say that he is brave and patriotic, aggressive and bad-tempered.

[Question] And what do you say?

[Answer] The same thing my grandmother said: if the shoe doesn't fit, don't wear it. Aggressiveness is a basic necessity for a politician when he has to face problems. That business about being bad-tempered is part of a campaign waged against me by certain sectors in order to discredit me; later the people saw that this was not true. Besides, a bad temper has been confused with the capacity to exercise authority, and that is precisely what the people are looking for at this time.

Fraga 82

He says he has not changed his image, but many were surprised to see a cowboy-style Fraga--broad-brimmed hat, leather trousers, a Jerez horse--shrewdly attending the Rocio festival. That's not Fraga; they've changed him! But no; he is not a man who changes easily, nor does he allow other people's opinions to influence his own. He was warned of many errors that might cost him votes, but he stuck to his guns.

"I have not changed, because I do not need to change. There was a shameless manipulation used against us in the first elections; they were using instruments from the old system, what was left of the unions and of the old apparatus of the movement, but this cannot happen again; now the people are looking for personalities, leadership and programs.

[Question] And what are you and your party selling in that voting market?

[Answer] First of all, seriousness. We are also offering confidence. When the voters go to vote in the next election, they will think about unemployment, about the lack of personal safety and about rampant terrorism. They will recall that when the gentlemen in power today came into office the dollar was worth 76 pesetas, and that today it is worth 112 pesetas.

[Question] You are in the midst of your election campaign. How much longer do you think the present government will last?

[Answer] Not at all, because it is already dead. It died after the last Galician and Andalusan elections.

[Question] But it was precisely on those two occasions that you approached Calvo-Sotelo and expressed your desire to collaborate with the UCD.

[Answer] My hand is still reaching out to him, and I do not doubt the good will of the president of the government, but he is depending on a party which is confronted, divided. On the subject of collaboration, I have already taken all the initiatives I had to take, and now I am awaiting the results.

[Question] While you are awaiting the results, which do not seem to be coming in, UCD deputies are abandoning the party.

[Answer] What is happening with the Democratic Center Union is what happens to any party based on power; it lasts as long as the power lasts, and ends when it ends.

[Question] But you appear willing to receive all those who come to you from that party, isn't that so?

[Answer] I am not going to comment on that; the talks are in progress. Obviously some have come over, and possibly others will come. We are, as I have always said, open to all ideas. We believe that it would be a good thing to open our arms to a great coalition of everything that is not socialist. This is what I call the natural majority. I believe the Spanish people prefer an economic model based on the private sector and not on the bureaucratic or public sector.

[Question] And what, in your opinion, does that majority want?

[Answer] They do not want to see taxes and the public deficit increased; they want the family to be protected, not attacked. They want a united, and not a federalized Spain; among other things, they want to be able to choose the type of education their children receive.

[Question] Returning to the political component of that natural majority, you are looking, on the one hand, at the most conservative sectors of the UCD, and on the other hand you are considering a rapprochement with the liberals. What are you relations with Garrigues Walker and his followers?

[Answer] I can only say that we are open to conservation with all those who feel they are, as I am, liberal-conservatives and not liberal-radicals.

[Question] The UCD's problems favor the PSOE and your own party. You are now in a privileged position, if we compare it with the setback suffered by Popular Alliance and the Democratic Coalition in previous elections. Many people are still wondering how you got out of that rut.

[Answer] By the profound faith I have in the Spanish people, a faith which I knew could be disappointed. The Spanish people have become aware of the maneuvering to which I was subjected, and now they are revising the political map. Now the Spanish people have said no to the extremists and to the nationalists; they have said no to the Communist Party, which is not Spanish, no matter what anybody says, and which is all right for Eastern Europe, but not for us; they have said no to the party in power, because it has not goverred and that has left the rest; that is a Socialist Party which, if it continues to be moderate will one day have its opportunity, although I believe that day is not as close as some people believe, and it has left also a moderate conservative force such as there is today throughout Europe.

[Question] In other words, every day we are getting closer to that two-party system which you have always advocated?

[Answer] What is not possible is to have 10 different options in the elections. I said this long ago, and now time is proving me right. I also said that democracy has nothing to do with anarchy, and that in a democratic system laws are made to be obeyed, and that was taken as a dangerous assertion, like when I said that there is no wealth other than that which is created, and that sharing it is a good idea, but only when there is something to share; you can not share poverty. It takes one group to fatten a hog and another to slaughter

it, but if the hog is skinny, the slaughtering is a disaster, because there is nothing to share.

[Question] Your aprty is the opposition party today in Anadalusia and the governing party in Galicia. How are you going to come out in the next general elections and in the rest of the autonomous regions?

[Answer] I usually make my predictions the day after the elections, but personally I have the greatest hopes. We are working seriously on strengthening our structures, increasing our membership--at this time only the PSOE is ahead of us, and we hope to outrun them--and in a very special way, preparing that broad spectrum which includes government programs and the general elections, which are already here.

Fraga says he is not making any predictions, but he is looking ahead. At the moment he is enlarging the AP [Popular Alliance] headquarters, because he says the Silva street offices are getting too small.

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POSITIONS TAKEN AT SIXTH PSUC CONGRESS SUMMARIZED

Madrid MUNDO OBRERO in Spanish 26 Mar-1 Apr 82 pp 8-11

[Article by Manuel Torres: "A Single Policy Into the Future"]

[Text] While Barcelona, like the rest of the Spanish cities, was undergoing the long-weekend St Joseph's Feast exodus, the Catalan communists, the PSUC [Unified Socialist Party of Catalonia], was holding its 6th Congress, which set out to be a rallying of the party after the controversial outcome of the last Congress and of a subsequent Conference marking the PSUC's return to Eurocommunism. Indeed, this 6th Congress ratified beyond any possible doubt the results of the latter Conference, after a policy debate which centered on four basic points: The struggle for peace and disarmament, the current Spanish political situation, the need to foster a pro-Catalan attitude having popular appeal and based upon unity of the Left, and the need to develop an independent strategy for bringing about a revolution of the majority along Eurocommunist lines. Total harmony and a lack of tensions prevailed during the proceedings of the PSUC Congress on these points; tensions did arise, however, when it came time to elect the new Central Committee. Owing to a lack of agreement among the members of the Nominating Committee, this Congress which had, for the rest of it, more than accomplished its other objectives with time to spare, sat into the wee hours of Sunday morning. At its conclusion, Gregorio Lopez Raimundo had again been elected the leader of the Catalan communists and Antoni Gutierrez Diaz once again the party's secretary general.

The inauguration of the 6th Congress of the PSUC keynoted from the very start what was to be one of the constants of its proceedings: General agreement to develop an effective PSUC political approach to the Catalan society and to the Spanish society as a whole. Added to this would be the satisfaction of finding general agreement on what for many years had been one of the distinctive party lines of the Catalan communists, namely, the autonomous development of a Eurocommunist policy in conjunction with the PCE [Spanish Communist Party] as a whole.

The PCE was well represented at this Congress by a delegation that included its president, Dolores Ibarruri, who was widely acclaimed during the opening day, as well as Secretary General Santiago Carrillo, Vice Secretaries General Nicolas Sartorius and Jaime Ballesteros, the latter having arrived on the last day, and the secretary general of the PCA [expansion unknown], Felipe Alcaraz. Also present were delegations from the communist parties of Italy and Cuba, and representatives from Nicaragua and the Salvadoran guerrillas, the UJCE [Spanish Communist Youth Union], the Catalan Communist Youths, the League of Slovene Communists, the communist parties of Chile and Uruguay, and the Catalan political forces: PSC [Socialist Party of Catalonia] CDC [Democratic Convergence of Catalonia] and ERC [Republican Left of Catalonia].

As is customary on the first day, the Congress proceeded to form its General Committee that would manage the Congress, and to adopt the by-laws that would govern this special 6th Congress. The General Committee consisted of 23 members, 13 of whom belonged to the different delegations present at the Congress (one per delegation), 5 members of the party's outgoing Central Committee--Gregorio Lopez Raimundo, Antoni Gutierrez Diaz, Eulalia Vintro, Josep Cervera and Napoleo Figuerola--4 members of the party's Executive Committee--Paco Frutos, Jose Maria Rodriguez Rovira, Josep Maria Clariana and Rafael Ribo--and Jose Bonifaci, honorary member of the Central Committee.

The by-laws for this Congress--submitted to the delegates by Antoni Lucchetti, political secretary of the party's Barcelona chapter, were adopted by a vote of 797 for, 9 against and 10 abstentions.

The Struggle for Peace

During the first day, the outgoing secretary general, Paco Frutos, presented the outgoing Central Committee's report, which centered on four points which later became the central issues in the Catalan communists' policy debate that followed.

The first section of this report was devoted to the "struggle for peace, work and progress." In it, after reviewing briefly the poverty situation in the Third World and the stepup in the current cold-war situation, Paco Frutos highlighted the importance of the peace initiatives put forth by the European forces of progress.

The outgoing Central Committee's report then focused on the situation in Latin America, with special emphasis on the assassinations that have taken place in Guatemala, and in Nicaragua before Somoza's fall, the "missing persons" in Chile, Argentina, Uruguay, Paraguay, Bolivia, ets. Regarding El Salvador the secretary general, after evoking the existing situation there, dwelt on the solidarity campaign being waged by the Spanish communists:

"The PSUC, which has been waging an intensive campaign of solidarity with Central America, pledges in this Congress to stretch all its resources to the limit in defense of the people of El Salvador. In the face of the threat of United States intervention against the Republic of Cuba and against the people of Nicaragua,

and of imperialism's support of the Salvadoran Military Junta, the party must step up its campaign to sensitize public opinion to the gravity of the situation in Central America by denouncing the U. S. intervention and standing solidly with our brothers in El Salvador, Cuba and Nicaragua. We must back all initiatives that propose a negotiated solution to the civil war in El Salvador by exerting constant pressure on the United States and the Military Junta, publicizing the parliamentary action being carried out in this regard by the PCE and the PSUC in the Congress of Deputies, fostering initiatives such as the one instituted recently by the PCE in observing an El Salvador solidarity week."

Further on in this section of its report, the Central Committee evoked the pressures being exerted by the United States on the European countries, clearly concurrent with the setting in of a global ebb in the struggle of the masses--pressures against which all sectors of the working class must unite around a series of objectives: A struggle against unemployment, uniting this social action with the struggle for peace and disarmament; a seeking of new relations of solidarity between the European working class and the peoples of the Third World; a defense of democracy and human rights; and a striving not to allow bloc politics to become a perverting factor.

Poland

A separate chapter in this section titled "The Struggle for Peace, Work and Progress" was devoted to the events in Poland. In this regard Paco Frutos began by saying: "The taking of a position of unequivocal condemnation of the military coup in Poland is essential to socialism's credibility among the working class of the capitalist countries, to the struggle for peace, disarmament and detente, and to the unity of the Left and of the forces of progress. It is essential moreover to the continued building of socialism itself in such countries as Poland and others in East Europe, which 37 years ago broke with the capitalistic system by ending private ownership of the principal means of production; and it is essential to the consolidation of the movement among the nonaligned nations, a force that is fundamental to the national and social liberation of peoples."

Paco Frutos went on to say that the PSUC's criticism of the Warsaw Pact's intervention in Czechoslovakia and of the USSR's intervention in Afghanistan, and its condemnation of the military coup in Poland, were in no way a renouncement by the PSUC of its communist identity, a fact with a decisive frame of reference in the October Revolution.

However--the report continued--one could not disenfranchise the working class, putting it down as being merely rash and closing one's eyes to the phenomena of the corruption affecting the leaders of the POUP [Polish United Workers Party] and of the Polish state, and to the incomprehension of this country's leaders regarding the Polish Church's role as agglutinant of the Polish national conscience throughout its history.

Finally, commenting on the retrogressions that have taken place in the USSR since the 20th Congress of the CPSU [Communist Party of the Soviet Union], the report stated: "The PSUC, which has always set and continues to set a high value

on the positive aspects of societies with socialist orientations, can thus not condone events such as those in Poland that are having negative repercussions in the socialist countries and represent a serious setback for the ideals of socialism and communism. Our criticism is based on the convictions that socialism is not possible if it is not based on a political hegemony of the working class and cultural forces, that socialism is not possible without the democratic participation of the workers and of the citizens through their organizations, and that socialism and freedom must form an integrated whole."

The Spanish Situation

Paco Frutos characterized the Spanish political situation essentially in terms of three aspects: Spain's subordination to the economic policy of the United States; its request to enter NATO, one of the main actions aimed at imparting a rightist tilt to Spanish political life; and thirdly, the configuration of Spain's political and economic "greater Right."

The Central Committee's report could of course not fail to address the events of 23-F [23 February], which it did as follows: "The events of 23-F proved that there was still a long way to go to achieve democracy. The crisis and unemployment, terrorism, the disastrous economic situation, the non-democratization of the state apparatus, the inconsistencies and contradictions of the self-government process, and the crisis of the UCD [Democratic Center Union] as the government party, had all combined to lay favorable foundations for the attempts of the coupists. The coupists have now been tried. This is a major step that some time ago we viewed as difficult of achievement. Now we shall look to see the carrying out of the judgement and the sentences, since this, besides being a 'test' of the consolidation of democracy and of the conquest of fear, which is still prevalent in many places, will represent a clear subordination of military power to civilian authority."

Recalling that the 5th Congress of the PSUC had underestimated the coupist threat, the report also recalled that prior to 23-F the Spanish communists had pressed for a government in which the working class would be represented, a position that was shared by the PSOE [Spanish Socialist Workers Party] after the attempted coup. On the whole, said the outgoing secretary general, the government of Calvo Sotelo has made a democratic government impossible and has continued to impose its conservative policies, displaying an attitude that the PSOE has also gradually come round to adopting: "In many respects the PSOE has entered the game with an attitude that we consider unwise. The fear of destabilizing--an argument that is too often used and which the PSOE is using to justify its action--can be the quickest path to real destabilization, since on the one hand it does nothing to oppose the conservative initiatives of the greater Right while on the other hand it paralyzes and denigrates the image of the Left in the eyes of the working class and the popular sectors. Only through a responsible but energetic political and social struggle can the conditions needed to gain ground over the mighty Right be created, democracy stabilized and civil government strengthened, and the essential road opened for the economic and social transformations, by way of credible and feasible alternatives, to be carried out and defended by the masses."

As to the defense of democratic values, the Central Committee's report proposed the consolidation of political parties and unions and the defense of institutions and of their normal and proper functioning; then it went on to analyze the present economic crisis and unemployment with special emphasis on the ANE [National Employment Agreement]:

"The ANE represents a forward leap for labor policy, which until now has been made by the communists. It requires the development of the diverse theoretical elements now present in our union policies. Until now the labor movement has found it difficult to implement a global union policy based on the more concrete issues (minimum interoccupational wage scales, pensions, taxes, social security, ...). It is essential now and urgent to move in this direction in dealing with those problems that directly affect the workers and the working class as a whole."

Citing the CEOE [Spanish Confederation of Business Organizations] offensive against the ANE, Paco Frutos discussed the the employers' offensive against social security, aimed at privatizing it, and laid down five objectives to be achieved: An urgently needed political and labor agreement among the Left designed to deal with the offensive of the UCD government and the CEOE; initiatives towards a real transformation of the state apparatus; a no to the LOAPA [Organic Harmonization Law for the Autonomous Process] and continued political action for the building of a self-government policy that will enable the building of a democratic Spain; ongoing political action for peace and disarmament; and unity of the Left as an essential condition for the bringing about of a broad-based unification of democracy and progress.

For a Popular Pro-Catalanist Movement

The third section of the outgoing Central Committee's report analyzed the political situation in Catalonia in the following terms:

"Jordi Pujol's government closes its eyes to the phenomena that are taking place in the zones of Catalonia that are hardest hit by unemployment: The coming into being of ghettoes of economic, social, political and spiritual distress; the disintegration of the Catalan community with the advent of a trend toward the ultra-leftist or ultra-rightist radicalization of the impoverished (a radicalization of minority sectors that is reflected in tensions and frustrations among the broader majority); a greater resistance to the process of integration into a single community; the appearance and intensification of direct pro-independence action--until now at an absolutely residual level in the Catalan society--with the resurgence of terrorist activities."

In this situation, the PSUC proposes imparting a new impetus to the project of a popular pro-Catalanist movement: "The PSUC's proposal for a government of unity, although it was justified and necessary, is unviable under present conditions. Hence we must launch a new alternative based on the unity of the Left that will permit the realization of a program of national reconstruction and progress and oppose the CIU's [Convergence and Unity] brand of Catalanism."

A Eurocommunist Policy

The fourth and final section of the Central Committee's report analyzed the PSUC's strategy and its present position. Beginning with an analysis of events that had polarized around its 5th Congress and other subsequent ones, Paco Frutos evoked the objective and subjective conditions that had brought them about.

The unstructured working methods of the PSUC undoubtedly played an important part, but it was the economic and social crisis, the difficulties of the process of change, together with other factors that provided the "concrete bases for the coming into being of a policy within the party that runs counter to the one that has historically been the PSUC's."

Self-critically acknowledging various shortcomings in the Central Committee's work both before and after the 5th Congress--the lack of a program of systematic political education, the lack of a decision to defend its international policy between the 4th and 5th Congresses--it viewed its confrontation with the PCE prior to the 5th Congress as a disrupting factor that facilitated the work of those who were questioning the PSUC's policies, beginning with members of its own leadership.

Defending the 5th Congress, its democratic character and the critical and self-critical attitude of many militants, the outgoing Central Committee's report had this to say of the PSUC: "The party we want the PSUC to be--a democratic and class party, open to debate and united in action--is an instrument at the service of a Eurocommunist plan that has come from afar and to which we have imparted a more rigorous interpretation as part of our political strategy, based on the polemic against the dogmatic positions taken at the 5th Congress."

Agreement During the Debate

The report presented by Paco Frutos was adopted the next day by a vote of 837 in favor, 9 against and 74 abstentions, the 13 delegations having expressed their overall agreement with it, and the various interventions having centered on two issues: Trade union policy and the project for a popular pro-Catalanist movement.

On the issue of trade union policy, the 13 delegations expressed positive views of the position taken with respect to the ANE, stressing the need to launch a program of ample explanation of it to the workers. The Baix Llobregat delegation cited the need for more intensive self-criticism within the party on this point. The Barcelona delegation stressed the importance of a clear understanding by the workers that the ANE enables the workers to intervene in the economic process. Various speakers dwelt on the need for interaction between the UGT [General Union of Workers] and the CCOO [Workers Commissions].

With respect to the party's Catalan policy, most of the interventions centered on the project for a popular pro-Catalanist movement. The delegations acknowledged the loss of political clout by the Left and the capitalizing on a "folkloric Catalanism" by the CDC and the ERC. The Baix Llobragat delegation dwelt on the need to restore the hegemony of the Left by way of unified action with the socialists.

With reference to the internal problems of the PSUC, most of the delegations pressed for party unity around the PSUC's Eurocommunist strategy.

Comments by Santiago Carrillo

Around noon of the last day, Santiago Carrillo, secretary general of the PCE, rose to express the greetings of the PCE to the Catalan communists and its satisfaction with the PSUC Central Committee's report and with the documents that had served as a basis for the Congress's debate. He also expressed gratification that the PSUC had re-embraced Eurocommunism, albeit "through a painful process," restoring at the same time the solidarity of Spanish communists.

Santiago Carrillo went on to state that the PCE could not possibly remain neutral to all this process. The PSUC--he said--is a national party and an independent one, but it forms a single entity with the PCE. In this recovery effort by the PSUC, the secretary general of the PCE cited the work of three of the party's leaders: Gregorio Lopez Raimundo, Paco Frutos and Antoni Gutierrez Diaz.

He then discussed the present political situation, which he termed crucial, and of course the 23-F trial, which--he said--on the one hand shows that democracy is not all that fragile but on the other hand now presents a problem, in that an effort is being made to transform the proceedings of that trial into an indictment against democracy.

As to the outlook for early elections, Santiago Carrillo said that the 23-F trial must first be brought to its conclusion inclusive--he added--of strict application of the Code of Military Justice. With regard to the facts that have not yet been brought out into the open concerning this conspiracy against democracy, he asserted that these will be brought out when a real government comes into power that is willing to apply the Constitution and defend democracy.

He next commented on the current position of the UCD and of other rightist political forces that, with an eye on the next elections, are trying to divide the country into Marxist and anti-Marxist camps, which can only further weaken democracy. Then he referred to the error being committed by the PSOE in its attitude toward the PCE, which can only be based upon its intent to make concessions to the Right. "One starts with the sidelining of the PCE," he said, "and ends with the destruction of democracy."

Turning to the ANE, he characterized it as a working class policy. Class policy does not preclude the making of agreements, he said. He was applauded by the delegates when he stated that if anyone fails to comply with the ANE the communists will have to take the offensive. He asserted that it is not by pure chance that the CEOE is opposing the ANE as it also opposed the Moncloa Agreements.

Addressing the issue of self-government, he expressed the PCE's and PSUC's joint opposition to the LOAPA. It must be revised--he said--so that it does not violate Title 8 of the Constitution and the Statutes of Autonomy. He drew loud applause when he said there is no reason for Madrid to fear Catalonia's becoming a nation: This desire--he said--cannot be extinguished by force but rather, on the contrary, the existence of diversity in Spain must be recognized.

He defined Eurocommunist policy as a policy of the Left and affirmed that the ideas of Marx and Marxist thinkers are not being rejected when certain criticisms are leveled. We want youth to be encouraged--he said--to come to communism. "We are Eurocommunists in order to be more communist."

He cited the difficult process the PSUC is having to undergo and was roundly applauded when he affirmed that the 6th Congress would bring many around to embracing Eurocommunism who have not been in agreement with it "because we have failed to explain it." Affirming that the PSUC has once again become the PSUC, the secretary general of the PCE emphasized the importance of this fact for Catalonia, Spain and the PCE.

A Difficult Election

The most heated proceeding of the 6th Congress revolved around the Nominating Committee, which seethed with activity until almost nightfall of the last day. The inability of its members to agree on the 110 names to be submitted to the plenary for the formation of the new Central Committee stretched the congressional session and gave rise to tensions and in some cases to outbursts of real anger between the followers of Antoni Gutierrez Diaz and Paco Frutos.

Apparently, these disagreements centered around 7 names out of the 110 finally submitted. Sources close to the outgoing secretary general felt these had altered the balance that had characterized this Congress and went so far in about 30 of their cases as to submit their resignations to the new Central Committee. In the view of some of the delegates closely allied to Antoni Gutierrez, on the other hand, the Nominating Committee's proposal was perfectly fair to all and indeed accorded excessive recognition to the influence and representation exerted in this Congress by the outgoing secretary general's constituencies.

The list finally submitted by the Nominating Committee included all the names of most import to the PSUC at this particular time and was subjected to only one substitution, namely, Ana Bosch for Capdevilla. The new Central Committee elected Gregorio Lopez Raimundo its chairman and Antoni Gutierrez Diaz its secretary general.

The same problems appear to be looming, however, with respect to the forming of the Executive Committee, which is to be decided next Sunday. No one is excluding the probability that a final agreement will be reached, with the inclusion therefore of former Secretary General Paco Frutos as a member of this executive body.

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CARRILLO PRESENTS RATIONALE FOR ELECTIONS IN 1983

Madrid EL PAIS in Spanish 11 Jul 82 p 13

[Article by Santiago Carrillo, secretary general of the PCE [Spanish Communist Party]: "Why in 1983?"]

[Text] When should the general elections be held? This is a question that merits serious consideration, putting aside considerations of an electioneering nature and those born of impatience, any and all of which could veer against the democratic system itself.

My viewpoint is: Elections within the timeframe provided by the Constitution. In no country is it a good idea to advance them. In Spain, where we have already done it with the previous ones, and where there has also been a flurry of elections and referendums in the self-governing communities, with ample abstentions, this whirlwind of calls to the polls, time after time, could surfeit a people that has not been accustomed to this dynamic, and for obvious reasons.

In the first place, an election law would have to be passed, and that cannot be done helter skelter. The decree that enabled the 1977 and 1979 elections will not serve for the next ones; this view was fiercely defended in an issue of LA CLAVE by representatives of the PSOE [Spanish Socialist Workers Party] and of the AP [Popular Alliance]. The passing of a new law will require a certain time. I think such a law today would have to do away with the D'Hont rule and be based on more rigorous criteria of proportionality that would reflect the true attitude of the voters, a law based on the votes of the men and women of this country instead of on its square kilometers.

But this is not the sole reason for opposing the advancement of the constitutional timeframe. There is another very weighty one: I refer to the budgets. It has been argued that budgets should not be submitted to the Cortes by a lame-duck government but rather by those who are due to take office. That is all well and good, but here, simply and plainly put, we would have exactly the contrary; that is, the present budget would still be in effect next year, since it would have to be extended. Because holding elections in November as those who would advance them are advocating means constituting Chambers, installing a president and forming a government, all of which takes time, particularly if one takes into account that whatever the plurality of the winning party--for I doubt that any

one party can win by an absolute majority--that party will have to ally itself with other political groups to govern, and an accord of this kind cannot be arrived at overnight; especially after a confrontation at the polls couched in terms of change, of challenge, a rapprochement of the groups involved becomes all the more difficult.

In the best of cases, there might be a government, as it were, in December. But when would it draw up its new budget bill? A budget is a very serious undertaking; it cannot be slipshod. This is all the more true of a budget of change. It takes time. A budget that can be taken seriously, debated and passed by the Chambers would take us well into early 1983. The new government would therefore have to operate under the budget for 1982 set up by the present government and Chambers. The argument to which I have alluded above therefore falls by its own weight. Instead of thus having to extend the current budget, would it not perhaps be better to seek a broad agreement within these same Chambers to approve a new budget that corrects the deficiencies of the present one and deals more efficiently with the social and economic problems of 1983? It seems beyond comprehension that all possibility of an agreement with the government is being rejected now by those who for more than 1 year have done nothing other than enter into agreements of this kind, some of them quite sordid.

This would moreover enable the full implementation of the ANE [National Employment Agreement] and the providing of measures for the reduction of unemployment next year. Or it would enable the principle to be clearly established that the state here must subsidize urban transportation, as do the governments of other countries, considering this to be a kind of social wage and putting an end to the crucial problem of the big cities that currently find themselves overwhelmed by the deficits incurred by these services. Or it could enable minimum pensions to be indexed to the minimum interoccupational wage.

Not to comply with the constitutional timeframe, that is, holding early elections, would mean holding them under the imponderable as to what will happen to the 23-F sentences in the Supreme Court. Who wants to run this risk? Certainly not the Left, I am sure. Used to advantage--and the Right is going to do it, even though subterraneanly--this imponderable could have a serious impact on the elections.

And lastly--although there are other arguments--we are in the midst of a major political muddle. A redifinition of the political map is in progress. Major parties under the constitutional arch, such as the UCD, are in the throes of a crisis that, if it unburdens them of the rightist millstone that has dragged that party down until now, could have a beneficial effect on the democratic balance. Why not give the situation a chance to redefine itself? The AP is at a peak of popularity, but it is also in the midst of a vast muddle; it is becoming a hodgepodge of rightist remnants.

It is important that the electorate have time to see clearly through what the AP is offering; otherwise it could vote on the basis of its belief that the AP is a substitute for the UCD, which is not the case, and which could be dangerous for democracy.

We communists also--and I do not hide the fact--need some time to heal the wounds left by our own crisis. Be there anyone really interested in guaranteeing the balance and solidity of our democratic institutions who would be interested in weakening the electoral presence of a party whose dynamism would inevitably manifest itself on other terrains?

But even the PSOE itself, with an electoral tailwind behind it, has to unveil itself. Its offer of a majority for change lacks credibility unless it clarifies with whom it intends to create that majority the day following the elections. For the moment the only thing that is known is that it will not be with the PCE. That, of course, is its right. But in that case it must clarify without equivocation that it will turn to the Right to form this majority and to whom. Anything else would perpetrate a fraud on its constituents.

Adding to the present muddle is not a way out of it. We cannot jump the gun oblivious of what lies ahead. This is a moment in time that demands clarity of thought, a calm approach and a sense of responsibility. And let us not ply the argument that as of now we are not being governed and that things cannot go on this way. For, we have been in this situation now for over a year, and much worse than bearing with it for a few more months would be to jump thoughtlessly into a situation that could result even more ungovernable. Hence our judgement: Respect the constitutional timeframe and hold the elections in 1983.

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DEMOGRAPHIC TRENDS IN CENTRAL, SOUTHERN ITALY

Naples NORD E SUD in Italian Apr-Jun 82 pp 49-58

[Article by Carmelo Fromica: "The Peninsula in Evolution"]

[Text] The following speech was delivered by the author at a conference, "Evolution of Community Structures in Central and Southern Italy," held by the Italian Geographical Society in Rome, 29-30 March 1982.

1. Over the past 30 years, the network of Italian communities has undergone sweeping changes in its dimensions, structure and functions because of a convulsive, rapid redistribution of the nation's population. This movement has been intensified by uncontrolled economic mechanisms and government actions which, in most cases, have caused temporary detours in the long march which industrialized Europe has been taking, and produced results that have not only distorted their original aims but often opposed them. Delicate socio-territorial balances, at times fluid, other times consolidated, have been so radically overturned as to give the impression that all continuity with past history has been lost, if not altogether arrested; and while the differences between city and countryside have become sharper in many districts, they have disappeared in others and lost all significance.

The immediate, macroscopic results of these transformations to strike even the most superficial observer can be seen in the overcrowding of lengthy seacoast stretches and the depopulation of vast mountain and hill areas, from which the exodus has been extremely intensive. A comparison between the census figures for 1951 and 1971 shows that during those two decades, the population living on Italy's total coastline swelled by approximately 29 percent whereas the inland population grew less than nine percent, and almost entirely in the Paduan sector, mecca of repeated migrations. The first tally of the 1981 census appears to confirm an accentuation of these two opposing trends.

In more specific terms, the littoral communities recorded a population increse of over 52 percent in the central regions, attributable for the most part to Rome's urban expansion; 22 percent in the continental South; and 20 percent on the islands (Sicily and Sardinia), while the population everywhere in the interior showed varying declines, with the exception of some valley areas and

provincial seats. The density of the coastal population rose from 371 inhabitants per square kilometer to 565 in the central regions, from 300 to 364 in the southern regions, and from 191 to 220 on the islands. At the same time, the population density in the hinterlands dropped: from 110 to 107 in the Center and from 81 to 74 on the islands, while the South remained fairly stationary (from 139 to 141), although this figure is inaccurate because many southern emigrants have never changed their legal address.

The phenomenal shift to the coastal areas looms all the greater if we add the communities on the subcoastal plains and hills to those located on the sea. In four provinces (Catania, Rome, Pescara and Palermo) the coastal population varies from 1,000 to 1,500 persons per square kilometer but soars to 4,000 in the littoral environs of Naples, while registering a very high count (1,230 inhabitants per square kilometer) in the entire province of Naples. Only in the Salento area and a few other meridional provinces (Caserta, Caltanisetta, Sassari and Foggia) where, until only recently, the water and sanitary conditions of the plains were unfavorable for new colonies, does a certain equilibrium exist between the population density on the coast and in the interior, but with a more dynamic tendency toward the former than the latter.[1]

The demographic polarization in some districts is evident from the following facts, stated briefly: in Latium, the city of Rome alone claims two-thirds of the region's entire population; in Campania, the territory between the Volturno and Sele rivers houses three quarters; and in the rest of the Peninsula, the total coastline, including the adjacent uplands facing the sea, accounts for almost half the population of all Italy.

2. In this redistribution of the nation's inhabitants, we can discern more or less distinct phases and modalities influenced by economic and social developments, not only in Italy but in the broader European context.

The first phase, involving primarily the latifundist South, began in the immediate post-war period and continued until toward the end of the 1950's. This phase was marked by two causes: first, a demographic decompression in the big rural towns when a constant stream of workers emigrated overseas or to other countries beyond the Alps; and secondly, the land reclamation projects and agrarian reforms, which broke up great estates into small farms, with the intention of introducing extraneous models of settlements into the Southern society, which was obliged to aggregate around focal points because of particular historical factors and anomalous agro-land structures. The small-farm policy, which called for new communes dispersed in a geometric design around a few servicing centers, succeeded in only a few instances, such as the Metaponte area and partially in the Apulian tableland; in the rest of the South, however, the experiment was an aborted attempt to develop empty agricultural spaces by locating the peasants' homes close to their fields. Contrary to the land redistribution scheme carried out in industrialized Europe, the Italian agrarian reform set up model agencies intended largely to help the peasants achieve self-sufficiency by overseeing the division of big and medium properties. This turn of events opened the way to the massive agricultural and rural exodus that occurred in the ensuing years and portended the wide-ranging urban and territorial transformations that exist today.

3. The second phase, coinciding with Italy's greatest economic expansion (1957-1963) and the government's policy of polarizing industrial development, continued until the end of the 1970's. It provoked a population mobility without precedent in the history of the nation, spurred by a number of alluring and unfavorable economic, social and psychological factors--a subject which has been amply analyzed in specialized literature. Reduced to a precarious situation, agriculture in the Apennines, unable to compete with more rational agrarian methods and furthermore plunged into crisis by the very price policies enforced to promote its structural and productive reorganization, suddenly collapsed. Not only farm laborers fled the long-overpopulated countryside but also sharecroppers, tenant farmers, small and medium landowners. Rural towns and villages, now obsolete, emptied, many of them so completely that they remain no more than archaeological relics of a remote world.[2]

Although left with a remnant of its native inhabitants, who continued to be active, the South lost over 4 million persons: 1,115,000 from the Apennine mountains, 844,000 from extensively cultivated districts, 576,000 from the hills, 797,000 from specialized agriculture, 95,000 from small Abruzzo farms, 156,000 from recently irrigated plains (not even they escaped the hemorrhage). 370,000 from intensive cultivations, and 191,000 from the urban centers.

With all the traditional escape routes--to destinations overseas and beyond the Alps--barred to them, the tidal wave of emigrants was contained almost completely within the nation's frontiers. Thus, by 1971 some 17 percent of all native-born southerners had gone to live in central and northern Italy. This migration generally consisted of whole families rather than single individuals as in previous times, which exacerbated the disintegration of their home territories, with which they maintained no contact. Such alienation resulted in another critical difference: past emigrations actually favored the South by reducing its population and shoring up its economy through an inflow of money [sent home by relatives living and working abroad], thus maintaining a constant balance between the demographic count and the inhabitants' means of subsistence, also consolidating the socio-economic life of the South. The money the emigrants saved was largely invested in the purchase and improvement of small farms and in home building, a boon that helped to keep some of the population permanently at home.

Whereas many districts excluded from the nation's rising prosperity disintegrated, others--traversed by vital highway systems; situated near industrialized cities; in contact with decisional centers [therefore with access to political and economic influence]; or richly subsidized by massive public investments--increased their urban strength, whether they were located inland or on the seacoast.

As for the hinterlands of central Italy, where historically the pattern that governed the founding of towns provided for an urban network with a regular, not too extended grid which found vital points of renewal in middle and small cities, polycentrism has been profoundly altered in its functional characteristics relating man with his environment by new, thickly populated centers which, following a linear development, have sprung up around busy production plants, mostly of limited size. In Umbria, aside from the Perugia and Teramo

poles, urban expansion has taken root along the Valle Umbra-Conca di Magione axis and the banks of the Tiber from Citta di Castello to Perugia; in Tuscany it has spread along the Arno valley, most intensively from Florence to the sea. A succession of residential quarters and small factories, with here and there a large industrial complex, has created peculiar conurbations, but without any true urban profile. The conurbation of the lower Valdarno extends on one side, although somewhat loosely, as far as the pre-Apennine cities of Prato, Pistoria and Lucca, branching off toward Siena and Arezzo. On the other side, it extends more compactly along the coast in a chain of bathing establishments, most prevalently in the north from Carrara to Rosignano Marittimo. Southward from Cecina to the Latium line, however, the buildings are fewer but more varied in their functions--industries, homes, agricultural installations and bathing beaches. The Marches are different: apart from the beach resorts, notably a much-expanded Pescara, a wide range of business enterprises has led to the growth of numerous cities and towns: the output of specialized artisans and medium and small industries, such as shoes, furniture, clothing, musical instruments, etc. Often employing part-time and domestic labor, these operations have minimized the trend toward mobility and kept the local inhabitants within their regional boundaries, yet giving rise to a disharmonic, fledgling urban hierarchy dominated by the hypertrophic services and production on the seacoast.

As for the rest of Italy, we must exclude the case of Rome, where the population explosion and building boom can be ascribed to the government's employment of some 500,000 persons (or triple the number of workers in the manufacturing industries), also by financial, entrepreneurial and commercial organisms linked with the government as a result of its growing supervision over the nation's economy, thus causing a considerable expansion of the middle and upper classes and now accounting for over half of Rome's active population. Elsewhere in central Italy, however, the most consistent changes have come about in and around those areas assisted by the Cassa del Mezzogiorno; consequently, the development or emargination of communities that have resulted are similar to the circumstances which have affected the southern regions. All the same, even with its disproportionate growth and specialized employment, Rome reflects many of the contradictions that mark the recent urbanization of the South, where the principal factors of demographic polarization are seen--apart from regional and provincial seats--in a few communities particularly favored by enormous public and private investments in their districts and by industrial nuclei almost always situated in or near regional and provincial seats.

The policy for promoting industry is designing new urban projects for Piana di Latina, Piano Campano and Piana del Sele, where terrain redeemed from agriculture with no little difficulty has been slated for secondary and alternative uses. These projects will invigorate and repopulate communities on the Abruzzo coast, where metropolitan Pescara extends to the Pescara river valley as far as Chieti; they will bring relief to various towns on the intermountain Apennine shell, which are now unable to survive on an agro-pastoral economy and maintain their strategic role in controlling the traffic of goods; it will transform several military ports (Taranto, Brindisi, Augusta) into industrial centers by setting up colossal basic installations extending

far beyond city limits, in several instances requiring the displacement of entire peasant villages, some of them on the Syracusan coast; they will attract new chemical and petrochemical plants to zones where hydrocarbon deposits have been discovered (Valbasento, Gela), even though these deposits fall short of expectations, and to many bays bordered by level terrain (Gaeta, Milazzo, Porto Torres, Cagliari, Manfredonia, etc.); and they will predispose equipped areas to accept manufacturing ventures close to almost all provincial seats, eager to enrich their economies.

In effect, however, government-sponsored industrialization involved large sectors of the population and yielded a more or less balanced territorial order only where the incentives included an opportunity to validate potential, but latent, local factors, which appealed to private operators. But where easy fiscal and financial terms were the single inducement, benefitting big rather than small and medium enterprises, the call remained unanswered. The sites slated for development--and urban inprovements--did not become starting points for industrial expansion but simply magnets attracting masses of rural folk, stopovers for migrants who found temporary work as bricklayers for plants or industrial infrastructures under construction. The job done, the migrants were obliged to resume their exodus and move on to some other destination. In short, the industrialization realized by multinationals and powerful Italian corporate groups--appropriating enormous tracts of land to turn out simple products of little value, capital intensive but hiring few workers and out of contact with local markets--lent a provisional impetus to the expansion of provincial cities and towns. These centers, which grew in size and population, nevertheless became parasites feeding on their regions since they could not assume leadership of their districts but rather contributed to their impoverishment in human capital.

In the past two decades, the state through its interventions concentrated new plants in urban areas already congested instead of backward areas where they would have helped to relieve economic and territorial difficulties. Indeed, slightly less than half the total employment in corporations aided by state participation is centered within a perimeter of 30-40 kilometers around Naples, between Torre Annunziata and Pomigliano d'Arco and Pozzuoli. This anomaly is no different in other regions such as Apulia and Sicily, where important industries have been located with the government's participation. Outside some metropolitan zones there are only decentralized branches of the principal public security forces (Gela, Pisticci, Manfredonia, Ottana, etc.), which have little autonomy and nothing to attract new settlers, while the uncertainty that they will remain where they are for any length of time only adds another threat to the already feeble economies of the districts in which they are located. Significantly, between 1961 and 1971, 57 percent of those southerners who deserted their communities moved to other points within the confines of their provinces or regions or elsewhere in the South, particularly Sicily and Campania. During that decade, approximately one-fifth of the migrants in the South converged on provincial and regional seats, more to those with low- than high-density populations.

4. In the 1970's began the third phase of the demographic redistribution, this time motivated by various causes and resulting in consistent reversals

in population mobility. Among the principal factors were the serious economic crisis which had stricken Italy (and all industrialized Europe), dimming the allure of the developed areas and encouraging a surge of repatriation; the poverty and hardships of every kind that were plaguing the overcrowded cities; the completion of the two superhighways along the Tyrrhenian and Adriatic coasts and the transversal roads penetrating the Apennines and giving easy access to the opposite shores of the Peninsula; and prolonged vacation time for workers, a social victory which for the first time gave vast numbers of people the opportunity to spend their holidays at the sea or in the mountains.

The crisis that engulfed industry, mainly corporations not dependent on the areas in which they were situated, led to complex processes of restructuring and reorganization (not always apparent) and various forms of decentralization, which brought them into competition with small and medium enterprises in emerging, vital areas on city peripheries and in the rural world. This model of decentralized industry, which took on the proportions of a sub-economy where the congestion was chronic, such as the Naples area, demonstrated a closer adherence to territorial reality in other places where they could take advantage of some local activity or existing artisan culture and forge stronger links among the communities--along the Adriatic shoreline, for example, in a development defined as "the Adriatic way to development."

Together with the spontaneous decentralization of private industry went decentralization contracted between the unions and the public powers. Casting off the strategy of polarized development, this modified approach sought to channel new initiatives undertaken by big national corporations capitalized at over 5 billion lire into the South, especially the interior, which would return 80 percent of public agencies' investments in special projects designed as more modern examples of intervention.

The most outstanding episode in this new direction taken by industrial policy occurred when a FIAT (branch) was set up in the Valle dell'Ufita in Irpinia to initiate territorial recomposition and urban renewal in the environs of Ariano Irpino. Nevertheless, this project, limited in size and circumscribed in space, did little to attenuate the economic and demographic differences between the Apennine spine and the coastal and subcoastal strip, which enjoyed an unprecendented boom in the construction of second homes on the sea.

This littoral urbanization, however, entailed no growth in the permanent population. It was spurred, at least in its general lines, by two factors: the decision of small and medium income earners to protect their savings from galloping inflation by buying property that would increase in value and, secondly, by the easy terms offered prospective home owners by solicitous building constructors who, finding land too costly in the cities and building regulations too restrictive, set their sights elsewhere, where they could snap up abandoned or unproductive tracts at low prices and divide them into small lots.

The boom in second homes first began with sites nearest the big cities, then continued farther and farther away, ultimately encompassing more or less the nation's entire coastal perimeter. Along the Tyrrhenian shore where the area

around Versillia was already built up, resort colonies sprang up on the Maremma coast, the Pontine plain and the gulfs of Gaeta, Naples and Salerno, thus adding mass tourism to the traditional elitist holiday strongholds. The contagion spread still farther south to the Cilentanian and Calabrian coasts, most notably at the mouths of the Noce and Savuto rivers, where every hill town has doubled in size. The same phenomenon has transformed the Adriatic littoral, where small villas and tourist resorts dot the spaces separating the already close agglomeration of market and fishing towns from the Romagna riviera to the Gargano promontory, and even those parts of the Apulian coast which had been declared off limits by residential communes, especially in the Salento, for historical reasons. There has been less activity of this kind, although with some exceptions, on the Ionian coast of the Basilicata and Calabria, far from any sizable city, but it has been very intense in Sicily, particularly at the foot of Mounts Peloritani and Etna, and some stretches of the Sardinian coast, reserved for luxury resorts.

In the interior, the second home is appearing with such accelerated frequency that it has become a prominent feature of the landscape in various parts of Umbria (the hill country on the shores of Lake Trasimeno, the environs of Perugia, Foligno, Citta di Castello, Spoleto, etc., and the territories of Bettona and Campello on the Clitunno river); in the Abruzzo mountains, with tourist conurbations centered around Roccaraso, Rivisondili and Pescocostanza; in some zones of the Matese and Monti Picnetini in Campania; in Murgia dei Trulli in Apulia; on the Sila highlands and Aspromonte (Gambarie) in Calabria; and on the slopes of Mount Etna in Sicily.[3] Moreover, numerous rural houses, whether dispersed or located in towns, have been remodelled by city dwellers into vacation homes. In some cases, such restoration has meant salvation for communities otherwise destined to total oblivion.[4]

Many second homes originally built for temporary occupation in zones nearest the big cities have been converted for year-round living or long stays, lending communities a stepped-up rhythm no longer sharply differentiated between the summer and winter seasons. Where the expansion of tourist-residential dwellings has occurred without rehabilitating preexisting structures, it has created whole new living quarters on the periphery of towns sometimes endowed with valuable historical and architectural monuments.

Given the lack of specific records, it is indeed difficult, if not impossible to furnish quantitative estimates on second homes. Some idea, however, can be gleaned from the number of unoccupied habitations revealed by a recent census: 18.6 percent of central Italy's total living space and 39.5 percent in southern Italy and on the islands, an increase of 79.3 and 135.8 percent respectively between 1971 and 1981. We can safely conclude that some of these homes belong to emigrant families, also that since the exodus was fairly slow in that decade, the increase in the South is mainly attributable to the new tourist homes. Furthermore, that increase was verified essentially in the small cities and towns rather than the administrative seats.

While man himself is responsible for the abandonment of so many housing units, so, in part, are the forces of nature. The earthquakes of 1968 shattered the towns in the Valle del Belice (Sicily), and the reconstruction measures

adopted still bear the imprint of temporary solutions.[5] Again in 1980, seismic convulsions devastated the Apennines in Campania and Lucania to such an extent that the towns and villages must be almost entirely rebuilt. Also stricken by the earthquake, but less drastically, was the urban area between Naples and Salerno, where the precarious construction of many buildings in the historical centers was brought to light, and the numerous problems of resettling the population rendered homeless has had to be confronted.[6] Less disastrous, although certainly not negligible, was the damage caused by the Valernia earthquake. Here a regional pilot project has been divised to restore the site to a productive use by converting the deserted town dwellings into tourist homes. The Gulf of Policastro was the epicenter of still another earthquake.

5. Findings of the latest census, although approximate, have noted a new trend: the arrested demographic growth of the big cities in favor of medium and small ones. This slow-down in the metropolitan centers is the result of a blocked housing market, which had forced the displacement of a considerable segment of their populations to peripheral communities, some of which have shown adaptability to urban ways. Over the last decade Rome, which has burst its bonds at an alarming rate, recorded a population growth of only 1.7 percent to the advantage of the territory between the Castelli hill towns and the seacoast below the mouth of the Tiber, also the area to the east of the city, where a few towns are equipped with civic services of some efficiency (Tivoli, Guidonia, Monterotondo, Mentana). Naples on the other hand has recorded a drop of 1.3 percent while its environs, from Campi Flegrei to the foot of Vesuvius and the Aversano-Noli plains, have gained new dwellers by as much as 50 percent; here and there an entire suburban community is wholly under cement. Catania reports a demographic loss of five percent, with as many inhabitants removing to towns on the slopes of Mount Etna, where an agglomeration of new colonies has replaced the vanished network of agricultural centers.

Every metropolis has been deserted not only by low-wage earners but also others in the medium and high income brackets for two different reasons: the poorer are drawn by the lower housing costs, those better off by the lure of more comfortable living conditions. Hence, popular neighborhoods stand side by side with tourist-residential quarters arrayed with small villas and gardens, sometimes designed according to standardized planning.

In central and southern Italy, this process of dispersal--which appears fairly general in the North, where almost every provincial capital is affected--is limited to the few cases heretofore cited. Indeed, the provincial capitals still exert a strong centripetal force; in the decade between 1971 and 1981 they increased their populations by as many elements as their respective territories lost, often by more.

Indeed, their attraction continues to be all the greater where the districts they dominate are poorer in resources and urban infrastructures. By 1981, the populations of these capitals approximated 44 percent in the central regions and 29 percent in the South, against 33.8 and 15.6 percent respectively in 1951. This rise, as is evident, is higher in southern Italy.

6. Even though the housing shortage is a serious problem in the big cities, over the last several decades the built-up spaces have expanded proportionately more than the population. Discounting all unoccupied housing, the ratio between rooms and habitations is 1.5 in central Italy and 1.3 in the South. If we add industrial, service and commerical distribution establishments, public and social buildings and road infrastructures to the green areas which often surround them, we will see an enormous takeover of land, almost always the most productive. This presents a major problem for a region like the Center-South, which has limited flat spaces suitable for a rational agriculture on an extended scale conforming to modern methods at its disposal.

Even more dismaying is the fact that a good part of recent building construction has been anarchic, abusive and speculative. The entire outskirts of Rome, Naples, Palermo and many other cities have been subjected to unplanned, illegal construction practices with few, if any, civic infrastructures to serve them. But owing to bureaucratic delays and nonexistent urban planning, such abuses have also proliferated in small and medium-sized communities, particularly tourist sites on the coast, where everything has been left to the free will of individual proprietors and constructors. Although heterogeneous in appearance, their structures rarely respect local architectural traditions and seldom blend harmoniously with the surrounding landscape. Worse yet, huge condominiums, which improve city life styles on vacation resorts, have profoundly altered and standardized environments which had been designed over the centuries to abide by a strict symbiosis between man and nature. Many new structures have appropriated state property, notably in the Piana del Sele and along the Calabrian beaches.

In this context, the most urgent problem, therefore, is the need to protect the nation's coasts, which have already suffered much irreversible damage, especially in those localities where an attempt has been made to develop industry, tourism and agriculture simultaneously. Industrialized tracts on the shore no longer maintain any contact with old city ports; instead they generally stretch out along the waterfront far beyond city limits and control the land as if they were private corporate property. One example of such aggrandizement is the Augusta-Priolo petrochemical zone, a succession of dikes and lift bridges continuing for kilometers along the beach, reserved for the exclusive use of private industry. But the explosion of second seaside homes for vacationing owners has produced similar havoc: aggressive fugitives from the city, avid for sun and fresh air, seek to reserve private beaches for their exclusive enjoyment, thereby preempting long stretches of sand intended for tourist resorts. Every year, towns in need of money sell islands, promontories, bays and beaches to private persons while nothing in the whole arsenal of legal procedure has the power to prevent the devastation that ensues. Aping urban environments, the race to the sea continues without controls on the part of its promoters, yet the government neglects to take any corrective action.[7]

Italy lacks juridical powers to defend its coastline because, as someone has put it, "Given the regions' authority to decide territorial and urban questions, it is impossible to establish basic norms for the planning, financing and building of new structures by rules agreed upon between the

community and the Ministry of Public Works." On the other hand, the coastline varies sharply from province to province, with its changing topographical conformations and particular local problems. For example, the provinces of Cagliari and Sassari have 500 kilometers of developed coastline, the province of Messina 400 kilometers and the provinces of Massa Carrara and Pescara about 10 each. Moreover, no region can set its own administrative and operational limits concerning its coast without encountering the threat of irrational interventions of its neighboring regions or possible conflicts with state administrative agencies, which exercise considerable control over maritime affairs, typically the harbor office.[8]

No policy aiming to bring order to the coastal perimeter and oversee the concrete development of their communities can ignore a functional recuperation of whole regions and human living spaces which, for centuries, have nurtured their own economic and social characteristscs. Here the situation differs between central and southern Italy.

In central Italy, new urban axes have sprung up--from Leghorn across the Arno valley to the foothills of the Apennines; from Versilia to Piombino; the coastal conurbation bordering the Adriatic from the Marches to the Abruzzo, etc.--bypassing towns of exceptional historical and urban values (Spoleto, Viterbo, Gubbio, Cortona, and dozens more), which are striving to exploit more fully their artistic and environmental assets through tourism and cultural manifestations; but they have not totally devitalized the age-old network of the cities, relatively dense and animated by numerous towns and villages in shells and valley, which continue to provide communication links between city and countryside and coordinate the territory on a subregional level.

In the Center and North, metropolitan developments have spread throughout most of the territory, giving everyone access to city consumer models and patterns of behavior. In the South, however, the urban condition still remains only an aspiration for both country dwellers and broad segments of the city folk, who can be termed as such only statistically, not economically. This is because the inhabitants have subsisted on the welfare of the humblest tertiary and by bureaucratic procedures, having expanded under the impulse of the land-building program. Their growth, involving the loss of huge financial resources and unprogrammed living areas built at enormous costs and densely crammed, has failed to achieve any functional integration. Their development, in other words, has been orthogenetic, which has delayed and limited exploitation of the surrounding territory, rather than heterogenetic, which would have encouraged productive undertakings.[9] Proof of this is the fact that, within the perimeters stipulated in 1961, the metropolitan areas (Naples, Palermo, Catania, Bari, Messina, Cagliari, Reggio Calabria and Pescara) encompases few communities--four or five at the most if we exclude the Naples area, which extends over an urbanized zone of 150 communities, which are sources for "segregating the population and prolonging the contrasts between city and country and, in the cities, between the middle classes and the masses in chronic conditions and under employment and unemployment.[10] With the imbalance between the investments estimated and the investments advanced, the industrial poles themselves have become new focuses of social tension.

What is more, urbanization of the peasants has often caused a very real economic alienation of the rural areas, constantly subjected as they are to the cities' aggrandizement of their resources, both directly and indirectly. Apart from the negative effects of the population depleted by the emigration of the more enterprising southerners, including many non-agricultural inhabitants, the countryside has been further impoverished by the annual trnasfer of a sizeable part of their farm income to points outside their native soil, since a good many landed estates are owned by persons of rural extraction [who live in the cities or elsewhere beyond their home boundaries]. Furthermore, even the sale of their property to agriculturists who remain in the country eventually constitutes a contribution to the city by the new owners since a part of the profits yielded by the sale of their crops usually goes to buy apartments in town while the old farmhouse, no longer of any concern to the new owners, are allowed to fall into ruins."

7. Analysis of the data under study shows that desertion has stricken the fields more than the countryside, indicating that the crisis has overwhelmed agriculture and its systems of production more than the rural environment and its way of life. In sectors where the agricultural centers are equipped with certain indispensable, urban-sytle infrastructures or which can easily provide urban-style amenities, the people are less tempted to escape and move to the cities. Over the last three decades, although farming has been reduced by half, the centers classified by ISTAT as rural, semi-rural or rural in type have increased their populations by more than 1.5 million persons but in various respects, each according to its geographical and topographical features and its demographic count.

The decline has affected mainly communes with small populations. With the abandonment of isolated villages lacking sufficient means of survival, the number of towns inhabited by fewer than 1,000 persons has doubled. Conversely, widely dispersed communities have lost some 1.5 million inhabitants mostly where share-cropping (Tuscany, the Marches, Umbria) and small farms owned by peasants (Abruzzo, Campania, Calabria) prevailed. The downward trend has not only levelled out but actually reversed in towns with more than 10,000 inhabitants, particularly those situated on plains or on the floor of valleys; many of them have doubled their demographic count. In not a few instances, mountain and hill towns situated in valleys and highland plains have surpassed their respective provincial seats in importance. This makes it clear that the current large-scale population redistribution is an evolutionary movement which seeks to meet the demands of new, modern production structures requiring a certain concentration of workers in their vicinity. In overall figures, the mountain population has dropped by approximately 10 percent but the population on the hills has risen by 8 percent and by one-third on the plains. We see, therefore, a "shift in the barycenter of some areas from the old localities reached only by secondary roads, some of them difficult to travel, to newly built centers connected by broad arterial highways and serving as traffic junctions and regional headquarters for special kinds of services."[12]

A matter of urgency is the need to retain an ample demographic potential in the interior sufficient to revive production in many abandoned sectors,

but only providing that the feeble urban structures in the rural sectors are adequately strengthened. The essential conditions for such improvements appear to exist.

After extended exploratory travels in the interior (L'Aquila-Sulmona-Isernia-Benevento-Avellino; Eboli-Potenza-Val Basento-Metera-Metaponte; Avellino-Foggia and elsewhere), L. Cuoco has observed that two factors are immediately apparent:

1) that those mountain and hill districts already equipped with infrastructures could be readied to accept any kind of production venture which does not strictly depend upon its location for technical and economic reasons--for example, steel and chemical installations, which require dock facilities to reduce costs;

2) that for considerations of economy, the infrastructural system must be altered, sometimes radically, and extended to decentralized locations where operating costs are lower than on urban and metropolitan perimeters and the cost of fixed human capital is less, as it is in many parts of the interior. An increase in the employment of manpower does not require added infrastructures in ratio to the increase in development, at least not where primary infrastructures are concerned; and

3) that the communities on the Apennine spine (Ascoli-Piceno-Teramo-L'Aquila-Campobasso-Benevento-Avellino-Grottaminarda) lie close to the urban-industrial coasts of the middle Tyrrhenian and Adriatic seas, with which they are linked by highways and superhighways no farther than one hour away.[13]

With the isolation of many areas in the hinterlands now a thing of the past, exploitation of their potential productivity is still hindered by under-population and the inhabitants' limited knowledge, if not total ignorance, of the economic policies now in force. They need the courage to cast aside outdated methods, embark on wholly innovative directions and assign prevalently industrial sites to the interior and prevalently agricultural and tourist sites to the well-watered coastal plains. In this way they can attain two goals: to reequilibrate various parts of their territories and draw maximum benefits, in absolute and relative terms, from their utilization of the land.

But since spontaneous decentralization is slow to react to the new availability of industrial sites in the interior, steps must be taken to adapt the mechanism of facilitated investments, which until now--for at least half of those investments activated--have assisted only 10 chemical and metallurgic industries. Even without incentives, in view of the favorable conditions they enjoy, these corporations would have done well to set up establishments in the South. The policy of incentives, however, should privilege small and medium enterprises, especially those which are labor intensive and occupy little space, while preference should be given, at least in the promotional phase, to those firms that will offer jobs mainly, if not exclusively, to local manpower and involve families remaining on their farms in their activities.

To assure maximum employment, however, they must convert to advanced technologies to avoid being excluded from the market by their competition. They must coordinate their intersectorial initiatives, not always necessarily or immediately productive, and work to establish those civic structures, still so scanty in the South, that will stimulate industries producing chiefly consumer goods and service equipment, i e. the so-called "Tertiary" industries, which generally require more local workers than others do.

In revamping urban-industrial policies for the interior, planners must not underestimate the importance of part-time labor, which is common in many highly industrialized nations (the United States, Japan, etc.), where the economic limits of gigantism, now apparent, have tended to decentralize jobs and accessory labor both spatially and technologically. Part-time labor is no longer the last resort to which handicraftsmen take recourse but today a thriving economic factor which relieves congestion and solves union contractual problems without increasing costs, indeed helping to reduce them. We must wait to see how this innovation in labor intensive sectors will turn out as an integral element of [ecomonic] stability, not as a precarious way of earning an income but as a sound, permanent feature of the production system.

Several decades ago, Manlio Rossi Doria wrote that the difficulty in assigning workers certain tasks in the manufacture of finished products "is not technical but rather organizational, because it is advantageous to decentralize certain processes and distribute them among many workers. But this must be done to a certain extent on the basis of specific controls, guarantees of prompt deliveries, and a minimum of administrative, fiscal and other vexations."[14] Now it appears that the government is finally willing to set the legal terms for part-time employment, but outlawing the practice of black labor, now widely followed by underground promoters.

Special consideration should be given to the reorganization or, better, the urban and economic reconstruction, of territories destroyed in the earthquake of 23 November 1980, which emphatically brought to light the abyss that divides the interior from the coastal strip in terms of population density, income differentials and production structures. For lack of time, however, it would be futile to confront these disparities because of the endless controversies--rather than ideas--which have dominated the subject over the past 18 months and the enormous number of problems it has stirred up. Certainly, that disaster offers a rare opportunity, which should not be wasted, to design new territorial models more efficient today than those anachronisms which were razed to the ground within a few moments on that fateful day.[15]

I realize that in a country as fragmented territorially, socially and economically as the Peninsula, the evolution of communities involves many more aspects than the blueprint I have so summarily delineated. But if my analyses are only approximate--owing in part to the nature of this report as only an introduction and in part to my ignorance of specific local conditions--I am nevertheless convinced that such suggestions as I have indicated can remedy the shortcomings that debilitate regional relationships and render

round-table discussions fruitful by giving deeper insights into real conditions and finding means of correcting them.

FOOTNOTES

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